

April 15, 2008



**TRANSCRIPT  
April 15, 2008**

**MONTGOMERY COUNTY COUNCIL**

**PRESENT**

Councilmember Michael Knapp, President  
Councilmember Roger Berliner  
Councilmember Valerie Ervin  
Councilmember George Leventhal

Councilmember Phil Andrews, Vice President  
Councilmember Marc Elrich  
Councilmember Nancy Floreen  
Councilmember Duchy Trachtenberg



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1 President Knapp,

2 Good morning everyone. We are a little bit tardy this morning, but we're all here. We will  
3 begin our session this morning -- sit down please -- with invocation from Rabbi Jacob  
4 Blumenthal from Shaare Torah, North Potomac. Would you all please rise.

5  
6 Rabbi Jacob Blumenthal,

7 On this beautiful spring day, let nature serve as our inspiration. We see freshness and  
8 renewal, and we ask you, oh, God, for the ability for each of us to renew our spirits. The  
9 many colors that emerge from the grays of winter in all their magnificent splendor  
10 remind us to ask for your guidance as we seek to appreciate the wondrous diversity of  
11 the people in our community. As we emerge from the darkness of winter and enjoy the  
12 illumination of springtime, we're reminded of the importance of faith and hope. In just a  
13 few days, the Jewish community, my community, will observe the Festival of Passover,  
14 celebrating the promise of spring and the value of freedom. And indeed, we join  
15 together in gratitude for the blessings of freedom and liberty that grace this glorious  
16 land. We ask your continued blessings on our country, and ask that you inspire our  
17 leaders with wisdom and with courage. And may this Council be an influence for good in  
18 our community, a source of vision of hope and support to all. May your spirit and  
19 wisdom guide their deliberations today as they seek to create a community that  
20 embodies justice and compassion. And finally, we ask you to grant us that greatest of  
21 blessings, the blessing of Shalom, of peace. Let's all say, Amen.

22  
23 President Knapp,

24 Thank you very much, Rabbi. We now turn to general business. Announcements,  
25 agenda and calendar changes; Ms. Lauer.

26  
27 Linda Lauer,

28 Two additions to the agenda today. Consent Calendar, we're adding introduction of a  
29 resolution to establish a carbon surcharge on the fuel energy tax rate to reflect  
30 greenhouse gas generation; and that's sponsored by Councilmember Floreen. It will go  
31 to public hearing on the evening of May 6. District Council session, there is an addition  
32 of a Zoning Text Amendment for introduction, 08-06. It's for the I-4 Zone, the Transit  
33 Station Development areas. And that's sponsored by the Council President at the  
34 request of the Planning Board. And the public hearing will be May 20th, at 7:30. Thank  
35 you.

36  
37 President Knapp,

38 Thank you very much. Madam Clerk, do we have minutes to approve?

39  
40 Council Clerk

41 We have the minutes of March 31st and April 1st and the closed session minutes of  
42 March 4th for approval.

43  
44 President Knapp,



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1 Is there a motion?

2  
3 Councilmember Floreen,  
4 I move approval.

5  
6 Councilmember Trachtenberg,  
7 Second.

8  
9 President Knapp,  
10 Moved by Councilmember Floreen; seconded by Councilmember Trachtenberg. All in  
11 favor of the minutes as outlined by the clerk, please indicate by raising your hand.  
12 That's unanimous among those present. Thank you very much. We now turn to the  
13 Consent Calendar. Is there a motion for approval of the Consent Calendar?

14 Councilmember Leventhal,  
15 [Inaudible].

16  
17 President Knapp,  
18 Move by Councilmember Leventhal. Is there second?

19  
20 Councilmember Floreen,  
21 Second.

22  
23 President Knapp,  
24 Seconded by Councilmember Floreen. Comments? Councilmember Leventhal.

25  
26 Councilmember Leventhal,  
27 I'm now looking for the first time at agenda item 2K, a resolution to include a carbon  
28 surtax on the fuel energy tax rates suggested by Councilmember Floreen. And I  
29 understand there will be a public hearing on May 6th. And I understand that there will be  
30 an opportunity to discuss this item. I don't know whether it will be in the MFP Committee  
31 or in the TIEE Committee; but my question is this: does the resolution provide for a  
32 lower tax rate for sources of electricity that do not generate carbon dioxide?

33  
34 Councilmember Floreen,  
35 Yes.

36  
37 Councilmember Leventhal,  
38 And where does it do that in that resolution? I don't see that.

39  
40 Councilmember Floreen,  
41 I think it does it in the -- .

42  
43 Councilmember Trachtenberg,  
44 In the rates.



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1  
2 Councilmember Leventhal,  
3 I'm sorry; you'll have to explain it. For example, if I buy wind power at my home, which I  
4 do, which generates zero carbon, do I still have to pay this rate for electricity?

5  
6 President Knapp,  
7 Hold on. Councilmember Floreen, turn on your light.

8  
9 Councilmember Floreen,  
10 Oh, yeah. I've asked staff to do that and it should be reflected in the rates.

11  
12 Councilmember Leventhal,  
13 I don't believe it is.

14  
15 Councilmember Floreen,  
16 Well then we will -- we will take it up in committee.

17  
18 Councilmember Leventhal,  
19 Well I want to say I'm strongly -- I've got strong concerns about that.

20  
21 Councilmember Floreen,  
22 Okay.

23  
24 Councilmember Leventhal,  
25 The whole purpose of a carbon tax, it seems to me, is to encourage people -- .

26  
27 President Knapp,  
28 Right.

29  
30 Councilmember Leventhal,  
31 To choose sources of electricity that do not generate carbon.

32  
33 Councilmember Floreen,  
34 The -- we will certainly talk about this further. The whole point of this -- the calibrated  
35 rate, though, reflects the balance in terms of fuel sources within the different sources of  
36 energy. And we can certainly take that up in greater detail [inaudible].

37  
38 Councilmember Leventhal,  
39 I want to thank -- .

40  
41 Councilmember Floreen,  
42 This was to get -- the point of this, of course, was this is the last -- the day to introduce a  
43 revenue initiatives. And if -- I don't want to interrupt you, but I did want to say we have  
44 not -- because of the challenge of addressing the budget and this issue, generally, what



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1 we wanted to do is get started on this initiative and identify an approach -- well, I'll let  
2 you finish your time, and then I'll launch into mine on this.

3  
4 Councilmember Leventhal,  
5 Okay. Well Mr. [Inaudible] has also already introduced a bill that calls on the  
6 Department of Environmental Protection to investigate how a carbon tax might be  
7 implemented. It's a not a simple matter, as we've already seen. Pepco has been  
8 reluctant to participate in the clean energy rewards program, which the Council  
9 proposed four years ago to achieve precisely this same end; that was to provide a tax  
10 rebate to tax more heavily those whose use of electricity generates negative  
11 externalities. It is not a simple matter at all.

12  
13 Councilmember Floreen,  
14 Indeed.

15  
16 Councilmember Leventhal,  
17 In part because the utilities are not making it simple to do. It's a great concept. I don't  
18 know -- and it doesn't appear that this resolution as drafted gets at the real purpose,  
19 which is to reduce carbon emissions and incentivize people to choose sources of  
20 powers that don't emit carbon, which this resolution apparently does not do. So having a  
21 carbon tax is a direction in which we need to go as a society. It bears some thinking  
22 whether it's something that can be done in one county. We're going to need to look into  
23 some of the competitive effects. If we are going to have a price for power that is  
24 substantially higher than the price for power in Fairfax, Loudon, Arlington, Prince  
25 Georges, Howard, we may get to a tipping point where businesses don't want to locate  
26 here because their cost for electricity is so dramatically much higher. At the time, if we  
27 can incentivize the use of clean electricity, we should do that. But I and others have  
28 been working on this for some years, and amid resistance from the utilities, and  
29 apparently which continues, we don't seem to be there just yet. So, so the thought is  
30 well taken. It is something that the Council tried to get out a few years ago through the  
31 implementation of a clean energy awards program; which I will remind my colleagues  
32 was suspended by the County Executive because of its success. It was so popular  
33 thousands of people signed up for it, the money ran out, the County Executive didn't  
34 want to spend any more money on it, it now doesn't -- it's not being implemented any  
35 longer. That's something we can discuss in the TIEE Committee. It's a matter of some  
36 concern because we are not doing anything today to incentivize the use of clean  
37 electricity, which is what we really should be doing, and which it seems to me the goal  
38 of a carbon tax ought to be.

39  
40 Councilmember Floreen,  
41 Indeed.

42  
43 President Knapp,



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1 Thank you for the comments and the questions, and I know that we will take you up in  
2 MFP. And I'm sure that as a continuation of -- .

3  
4 Councilmember Leventhal,  
5 Will it be in MFP or will it be in the energy [inaudible]?  
6

7 President Knapp,  
8 I think it will go to MFP because we tend to send all of our taxes there. But let me -- .  
9

10 Councilmember Leventhal,  
11 Even taxes on energy?  
12

13 President Knapp,  
14 Well, this is going to be somewhat of a new perspective. We have in the past, when  
15 we've done the energy tax in the past it's gone to MFP.  
16

17 Councilmember Leventhal,  
18 I know. But the committee's jurisdiction was broadened.  
19

20 President Knapp,  
21 Right, so we'll have to -- .  
22

23 Councilmember Floreen,  
24 [Inaudible].  
25

26 President Knapp,  
27 I will get with the Chairs following our session this morning and see the best way to  
28 proceed with it. Okay. Councilmember Floreen.  
29

30 Councilmember Floreen,  
31 Thank you. I want to say to my colleagues, I do invite your conversation and support on  
32 this initiative. Regretfully, because of the timeframe for doing this and a combination of  
33 other obligations, we just finally got a draft of this in the current version at the end of the  
34 day yesterday. So we did not have the time to collaborate with each other on this. And I  
35 know that certainly Councilmember Berliner and Councilmember Leventhal have been  
36 major leaders in this area, and I hope that we can continue to work together. But what I  
37 think is this, that as we're looking at increased fiscal uncertainty, we've really got to  
38 reexamine our priorities. And I think, for me at least, and I think for many of us, it's  
39 reaffirming a commitment to our environmental initiatives. This carbon surtax resolution  
40 is intended to be a plan which targets our energy-taxing efforts on fuels that are most  
41 destructive to the environment, while allowing us to continue to fund our energy  
42 conservation and greenhouse gas reduction goals for the future. Under this plan, as we  
43 anticipated, and believe me, we can appreciate that there are details to be sorted out.  
44 This would be applied in a graduated manner with the dirtiest fuels being taxed at the



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1 highest rates and the cleanest fuels being taxed at the lowest rates. Of course, the most  
2 environmentally friendly energy source, solar, wouldn't be taxed. With all of us facing  
3 tightening our belts in the face of increased state, income and sales taxes, increased  
4 gas taxes, and proposed property tax hike, there are some who would say that this isn't  
5 the time to ask our residents for more. I have to agree. But this plan would result in  
6 about \$11 million in revenues for the County, while costing the average homeowner,  
7 less than about \$10 for the entire year. I'm working hard with all of you, at least a  
8 number of you, to lower the County Executive's proposed 7.5-cent property tax hike. But  
9 essentially, I think, with this we can keep ourselves on track with environmental  
10 preservation without doing harm to residents' pocketbooks. And that is the balancing act  
11 that we're engaged in right this minute. I'm not proposing new programs to be funded by  
12 the carbon surtax right now. But this way we could align our revenue structure to be  
13 more consistent with our priorities by placing the tax burden on energy consumption  
14 rather than real property. We give people more control over their own obligation to  
15 contribute to this effort. And I think we can pave the way for future revenue to pay for  
16 some of our most important conservation and energy efficiency initiatives, such as the  
17 Clean Energy Rewards Program. So we don't run out of money in the future. Free Ride-  
18 On trips and Code Red Days and things like our tree planting programs, I look to my  
19 colleagues on the Council, as well as County residents and businesses for guidance  
20 as we move forward on this resolution. And I'm sure we can work together on the details  
21 to achieve our environmental protection goals and revenue needs at the same time. I  
22 think this is the year with all that we're looking at to identify priorities, as I said. And I  
23 think this is the right time to look at this initiative to get us going. I know that the work  
24 that we'll be doing next week, we'll establish a broader look at all our greenhouse gas  
25 initiatives. Councilmember Berliner's proposal will have us revisit the whole structure of  
26 the energy tax. But I do think this is the time right now to protect what we have and get  
27 this on the table for further conversation. So thank you very much, and I invite  
28 everybody's engagement. And I know it's going to be lively and well thought of. Because  
29 I know we have a lot of advocates here, and I'm hopeful we can work something out.

30  
31 President Knapp,

32 A pretty shy group here that's pretty reticent to share their opinions. We'll have to get  
33 them to speak up. Councilmember Berliner.

34  
35 Councilmember Berliner,

36 Councilmember Floreen had shared with me her desire to move ahead with this. And  
37 like Councilmember Leventhal indicated, I'd shared with her our experience in looking at  
38 this very issue, and noting the complexities that we had worked very closely with DEP  
39 for months to try and come up with something to that could work as a substitute for our  
40 entire energy tax, because it felt to me that if we could substitute our entire energy tax  
41 for a carbon tax raise, perhaps even more dollars and differentiate in the way in which  
42 Councilmember Leventhal indicated such that those who use wind pay zero tax, which  
43 should be our objective. Whereas those who use electricity that represents basically  
44 50% coal, would pay a hefty tax, and those who use natural gas would pay less of a tax.



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1 I share the desire. I also believe that it is important to recognize that if we do this on a  
2 surcharge basis, that is -- and I believe it was the Council President that had proposed  
3 an \$11 million increase in the energy tax for purposes of having something on the table  
4 for a revenue perspective. My own view is that what we need to look at with respect to  
5 this incremental amount of revenue is some portion of it, in fact, being dedicated to the  
6 Clean Energy Rewards Program. Some portion of it dedicated to our energy  
7 conservation programs. Some portion dedicated to the climate change initiatives that we  
8 will be voting on a week from today. And I believe that you could perhaps find, if you  
9 will, take half of those dollars and allocate them towards our energy efficiency  
10 programs, including retrofit of existing buildings, and half of it goes to help our revenue  
11 situation. And that would be a nice balance. But those are all the types of things that we  
12 need to work through. And I appreciate that -- and next week, of course, as was alluded  
13 to, we will be voting on a measure that requires the County Executive to study a carbon  
14 tax and report back to us his views with respect to that. But if this Council can get its  
15 hands on this piece of it between now and when we vote on the budget, that would be  
16 fine by me as well. Thank you.

17  
18 President Knapp,  
19 Thank you, Councilmember Ervin,

20  
21 Councilmember Ervin,  
22 Thank you. I was just speaking with Councilmember Berliner about making sure that  
23 renters in our community aren't left out of the conversation, because a lot of times when  
24 energy costs increase and people who live in apartment buildings, sometimes if the  
25 utilities are paid by the building owner, those costs are seen -- are born in the rise in  
26 rent. And if those costs are paid by individual apartment or renters, then they're going to  
27 see that cost increase as well. And so I'm very concerned that the conversations about  
28 conservation tend to focus on homeowners most of the time. And about 60% of Silver  
29 Spring residents rent. And so I think we can't leave out this large of a group of citizens  
30 and the conversation needs to be expanded. So I just feel obligated to say that,  
31 because as we move forward on all these really excellent ideas about greenhouse gas  
32 reduction and energy conservation, those are the folks who really are going to take it on  
33 the chin, and I just didn't want to let that comment go.

34  
35 President Knapp,  
36 Thank you very much. Councilmember Leventhal.

37  
38 Councilmember Leventhal,  
39 Thank you, Mr. President. I'm sorry to speak a second time. But a thought occurred to  
40 me, and then Mr. Berliner expressed it, and so I want to express my interest in the  
41 concepts that were just put forward by Mr. Berliner and Ms. Ervin. That is I could see my  
42 way to enthusiastically supporting some surcharge based on carbon dioxide emissions  
43 if we could state that it would lead us to an expansion of the Clean Energy Rewards  
44 Program, if it would ensure, which let me tell you with great regret that the Executive





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1 Branch is walking -- is very tentative on, the achieving the goal that's already in the  
2 energy policy that we would get 20% of our electricity from clean power, which is a  
3 relatively minor cost in the hundreds of thousands of dollars to increase the amount of  
4 electricity portfolio that we get from wind. But we're getting very tentative signals from  
5 the Executive Branch. The Clean Energy Rewards Program, again, less than a million  
6 dollars would buy a whole lot of carbon reduction. So if we could ensure -- I'm sorry to  
7 repeat what Mr. Berliner said. This was the thought I was about to express.

8  
9 Councilmember Berliner,  
10 Always [inaudible].

11  
12 Councilmember Leventhal,  
13 Okay, good. If we could ensure that consumers of clean electricity do not pay the  
14 energy tax, which was the purpose behind the Clean Energy Rewards Program in the  
15 first place, then perhaps we could do that this year. And then, finally, we also have a  
16 low-income home energy assistance program through the HHS Department, which  
17 could be expanded with these revenues as well. All of these things exist today in our  
18 Operating Budget. I've been at a loss, given our austere budget, to figure out how to get  
19 the support of my colleagues to expand the Clean Energy Rewards Program, which I  
20 think we very much should do, and to keep us on track to purchasing in 20% clean  
21 electricity. These are all county policies already enacted into law. And then finally, I did  
22 some back-of-the-envelope calculation, because I have been eager to see Mr. Berliner's  
23 package -- most of it enacted. But it's got a first-year cost of about a million-five,  
24 according to the estimates we got from OMB. That's the low range of the estimates that  
25 we got from OMB. And, of course, there is no money in the County Executive's budget  
26 for that either. So if we had some agreement that we were to use the revenues to  
27 expand these programs to implement some of the ideas in Mr. Berliner's package to  
28 continue and expand clean energy rewards to keep us on the course towards buying  
29 more of the County's electricity portfolio from wind, and then also to provide some  
30 assistance to tenants and low-income energy buyers, that would seem to me to be  
31 sound policy.

32  
33 President Knapp,  
34 Okay. And you've led to round two of comments. Mr. Elrich.

35  
36 Councilmember Elrich,  
37 Still on my round one. That's not a preface guaranteeing there's a round two. I basically  
38 support this measure, and I support Roger's comments to go with it. And I'm sure we  
39 can craft something that ties, you know, that expenditure to a source. I think it's a good  
40 way to expand the program. I think the concerns about how this plays out on apartment  
41 properties is also something worth looking at. The only thing I'd say is that if we do that,  
42 this is not a substitute for tax revenues. And so we have to be clear this is not \$11  
43 million that if we raise it, it obviates the need for \$11 million in tax revenues. If we use  
44 this to support a set of clean energy programs, which I'm in favor of doing, only that



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1 portion which doesn't go to support new programs is going to be available for any offset  
2 to the existing revenues. So we're not going to be able to have it both ways on this. It's  
3 either going to support the energy stuff or you can clearly collect it and offset taxes. But  
4 it's not going to play in both ballparks.

5  
6 President Knapp,  
7 Duly noted. Councilmember Floreen.

8  
9 Councilmember Floreen,  
10 Well I thank you all for your comments. And as I said earlier, I think that with this  
11 budget, it's going to be one big balancing act of priorities. If we can go forward with this,  
12 between our various competing objectives, I think we are in agreement that preservation  
13 of our environmental initiatives is tremendously important, whatever we do. As we cut  
14 and slash our way through this budget, as some of us are poised to do, just as in  
15 transportation, we've tried to find revenue sources that would keep us on track. And I  
16 think this is a beginning, certainly not an end. I thank you all.

17  
18 President Knapp,  
19 Great. Well we said there would be lively discussion, and we've begun today. So thank  
20 you all very much. Further discussion on the Consent Calendar? I see none. All in  
21 support of the Consent Calendar indicate by raising your hand. That is unanimous.  
22 Thank you very much. We now turn to our overview of the FY09 Operating Budget.  
23 We've had it for just a month now. And our staff directors had an opportunity to go  
24 through and digest at least at a macro level, and will present us with that overview.  
25 Following which we will move to action and consideration of the Spending Affordability  
26 Guidelines for the FY09 Operating Budget. And so, I think -- I assume there will be a fair  
27 amount of discussion. We have a half hour scheduled for this. I will be curious to see if  
28 we can stay within that time limit. But I would urge my colleagues just to be cognizant; I  
29 don't want to keep us -- I don't want to hinder our discussion. By the same token, we  
30 also have to get through the Organization Bill. So I just want people to at least be  
31 mindful of the time. I also want to -- where's Marv? Mr. Weinman has joined us. I  
32 appreciate that, after the discourse we had last week within the public hearings, I'm glad  
33 that you came back and joined us again, Mr. Wyman. That was good. I turn it over to  
34 you, Mr. Farber, to walk us through.

35  
36 Steve Farber,  
37 Thank you, Mr. Knapp. I'm joined here at the table by Joe Beach, the Director of the  
38 Office of Management and Budget; and Alex Espinosa, who coordinates the Operating  
39 Budget. Also joining us today are Jennifer Barrett, the Finance Director, and Rob  
40 Hagedoorn, the Treasury Division Chief, and Chief Economist David Platt, who is also --  
41 all of whom have also worked very closely with us. This is, as Mr. Leventhal said, is an  
42 austere budget. At the same time, as you pointed out, Mr. Knapp, this is a budget that  
43 the Council will, without question, effectively act on and resolve, one month from today,  
44 May 15, which is our reconciliation day. A good sign, I think, occurred last week when



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1 you took up the Capital Improvement program. And the Council agreed, in principle,  
2 with the approach that Mr. Knapp suggested to bring that back into a realistic  
3 framework. And that's going to happen a month from now with the Operating Budget as  
4 well. It won't be easy, but it's going to happen. I think context is useful here. We have a  
5 difficult budget, but frankly, it's not nearly so difficult as the budgets we find in a number  
6 of surrounding jurisdictions, especially those in northern Virginia, which are very hard hit  
7 by declining home values and have no income tax to leaven that; and in states  
8 throughout the nation. And I think back to Montgomery County, as you said Mr. Knapp,  
9 past Counsels have dealt with even more serious problems and they have dealt so  
10 successfully with them, just as this Council will now. In the early '90s, for example, the  
11 problems were far more serious than we face today. For three straight years, we really  
12 chased ourselves. There were large tax increases, large service cuts. We didn't have a  
13 rainy-day fund in those days as we do now. Now it's \$120 million. It didn't exist then,  
14 and we actually took our reserves all the way down to \$2 million. We were almost on  
15 empty. We retained our AAA bond rating, but it wasn't easy to do that. And for three  
16 straight -- three straight years, there were not COLAs, no negotiated pay increases for  
17 County employees. That's how difficult it was then. More recently, and some members  
18 of this Council remember it because it was your first year. Five years ago there was also  
19 a very difficult budget. And frankly, the gap -- the budget gap that year was actually  
20 larger in percentage terms than it was this year. And as you recall, taxes were raised,  
21 services were cut, negotiated pay increases were delayed. And it turned out that that  
22 even wasn't even enough; that in Fiscal Year 2004, the Council actually had to return to  
23 the budget twice with two budget savings plans that took about up to 3% from  
24 department and agency budgets, even those lower budgets that had been adopted in  
25 May of 2003. So, yes, this is a touch situation. Yes, there are some hard choices. But in  
26 context, they are not so difficult as choices that the Council has successfully made in  
27 years past. We all know about the economic climate there. Nationally we're facing a lot  
28 of very difficult problems, credit induced; a 5.1% unemployment rate. But here in the  
29 County we're much better off. Our unemployment rate is just 2.7%. But as you pointed  
30 out, Ms. Floreen, basically our job growth is flat, it's stagnant. In fact, by some  
31 measures even down from what it was a year ago. In addition, we have a housing  
32 market that is under great stress. The projection for Fiscal Year 2008, from Mr. Platt, is  
33 that our existing home sales will actually be down nearly 34% from a year earlier. So it  
34 is a tough situation, and the result is that our income tax and our transfer and  
35 recordation tax revenues are not nearly what we would hope that they would be. The  
36 budget recommended by the County Executive is about \$3.8 billion on a tax-supported  
37 basis. That's up 3.2%, or as I prefer to say, on an apples-to-apples basis, 4.2% when  
38 you count a transfer of money into the grant fund that had occurred before. So 4.2%.  
39 Actually I remember a number of Mr. Duncan's budgets were as low as a 2.1%  
40 recommended increase. And indeed, there was one year when our budget actually fell  
41 in the early 90's. So it's 4.2%. The agency allocations for the County government, the  
42 schools, Park and Planning, and the College, are roughly the same. They're all in that 4  
43 to 4-1/2 percent range. For the County government we have a good deal of detail.  
44 Although, as always in the recommended budgets there are holes that have to be filled



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1 in. For the outside agencies, we don't have detail. What the Executive has chosen to do  
2 is to make macro-resource allocations of a 4% increase for the schools, and a 4-1/2  
3 percent increase each for the college and for Park and Planning. Now from a macro  
4 perspective, these may, in fact, be the right judgments. The problem is that we don't  
5 have any details, we don't have any specifics in the recommended budget for this. And  
6 that means that it's the Council and the governing bodies who have to make those  
7 decisions. And those details are very important. State law does not speak to any  
8 specifics that the Executive is required to provide for Park and Planning or for the  
9 college. But state law does speak to what the Executive is supposed to do with respect  
10 to the Board of Education's request. The Education Article says the County Executive  
11 shall indicate in writing which major categories of the annual budget of the county board  
12 had been denied in whole or reduced in part, and the reason for the denial or reduction.  
13 Now I've checked with our attorney, Mr. Faden, a member of the law firm of Faden,  
14 Drummer and Mihill, and -- .

15  
16 Councilmember Floreen,  
17 That's in-house staff.

18  
19 Steve Farber,  
20 That's right.

21  
22 Councilmember Trachtenberg,  
23 They're on retainer.

24  
25 Steve Farber,  
26 And that's a good thing. But Mr. Faden points out that County Law appears to say,  
27 rather the State Law appears to say what it appears to say; and an excellent legal  
28 judgment. But what we don't have from the County Executive is suggestions about what  
29 categories ought to be reduced and for what reason. Take instructional salaries, the  
30 biggest category, 40% of the budget. Well, there's a \$50 million suggested reduction in  
31 the Executive's budget from what the Board of Education has requested; 40% of that is  
32 \$20 million. How do you find \$20 million in instructional salaries? Well you could have  
33 fewer teachers. It would probably be several hundred fewer teachers. Or you can do  
34 something about the negotiated pay increases. But there is no detail about that. These  
35 decisions ultimately that the Council will have to participate in because the Council must  
36 appropriate by category. And the Board of Education, eventually, has to manage this  
37 budget. So on the one hand, a macro number may be the right number in this budget  
38 context, but it does not provide the kind of detail that is necessary for concrete specific  
39 decisions. Now, with regard to revenues -- .

40  
41 President Knapp,  
42 Steve, just a quick [inaudible].

43  
44 Councilmember Elrich,



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1 Can I get a clarification?

2  
3 Steve Farber,  
4 Yeah.

5  
6 Councilmember Elrich,  
7 If the Executive doesn't appropriate by category, can Council -- ?

8  
9 Steve Farber,  
10 Recommend by category.

11  
12 Councilmember Elrich,  
13 Recommend by category -- can the Council -- can still recommend by category?

14  
15 Steve Farber,  
16 The Council must recommend by category.

17  
18 Councilmember Elrich,  
19 Must recommend. And if we recommend by category, and is the school Board bound by  
20 retaining those categories, or can they make changes once it goes back over to the  
21 school board?

22  
23 Steve Farber,  
24 They can request changes.

25  
26 Councilmember Elrich,  
27 But they can't make changes?

28  
29 Steven Farber,  
30 Well, no, I think they can -- as I understand it, they can request changes, and the  
31 Council can agree with those changes or disagree with them. And I think no action -- if  
32 the Council takes no action, they stand. I believe that's correct.

33  
34 Councilmember Elrich,  
35 So, just for example, if we recommended say \$25 million out of general administration,  
36 leaving aside any category that had anything to do with instruction; they could not,  
37 without our permission, take any cuts out of the instruction side either regarding  
38 contracts or regarding increase in class size if we were to do that?

39  
40 Steve Farber,  
41 Yes, my understanding is that if the Council were to affirmatively approve or take no  
42 action, then those changes would take place.

43  
44 Councilmember Elrich,



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1 Thank you.

2  
3 Steve Farber,

4 A big issue this year, of course, is revenue. The issue that you'll be talking about in a  
5 moment with regard to the Spending Affordability Guidelines is the Charter Limit. And  
6 clearly, there are arguments both ways on this. Resources are up in this budget  
7 because of our constrained revenue situation only \$133 million. And depending on how  
8 you measure the Charter Limit, that's really almost the entire amount, that is to say, the  
9 excess that the Executive proposes over the Charter Limit is almost the entire amount  
10 of that resource increase. The Executive proposes a 7.5-cent rate increase along with a  
11 credit of \$1,014.00. This is, in his view, a progressive way to secure more revenue from  
12 the property tax above the Charter Limit. There are questions about this that we have  
13 discussed with our friends from OMB and Finance. And they have to do, for example,  
14 Councilmember Ervin, with a question you raised a moment ago about rents. There are  
15 60% of folks in Silver Spring, you said, who rent. And what we want to understand is  
16 what the impact of this proposal would be, for example, on apartment buildings who,  
17 under this proposal, would see their tax bills go up probably in the range of 20%. Would  
18 there be a downstream impact on renters. There are a host of other questions with  
19 regard to this proposal that we want to look at. We're doing so in conjunction with our  
20 colleagues from the Executive Branch. And when this issue comes early next month to  
21 the MFP Committee, we will have the background information that you will need in order  
22 to decide whether this proposal is in fact the best one under the circumstances. The  
23 other threshold question with respect to the Charter Limit is whether you want to exceed  
24 it in the first place. If you stick --

25  
26 President Knapp,  
27 [Inaudible] quick clarifying question.

28  
29 Councilmember Floreen,  
30 Yes, on your question -- issue about rents. I'm equally concerned about that. And you  
31 have a chart on 5A that shows the range in the property tax bill increases. I believe that  
32 this chart pretty much -- does this chart address residential property that gets the tax  
33 credit?

34  
35 Steve Farber,  
36 Yes, it does.

37  
38 Councilmember Floreen,  
39 So I would like a chart that reflects everything else, which goes to non-owner occupied  
40 rental property as well as all the commercial property, which is in that category. And the  
41 credit does not -- would not apply to rental properties. They would be treated as  
42 commercial properties.

43  
44 Steve Farber,



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1 That is correct.

2  
3 Councilmember Floreen,  
4 So I think we need the full chart with the clarification, because this simply -- this does  
5 not reflect the fact that there is a \$1,000 credit involved here. Is that -- if that's correct?  
6

7 Steve Farber,  
8 Yes. Actually this chart does reflect the credit.  
9

10 Councilmember Floreen,  
11 But, I know, but it doesn't say that.  
12

13 Steve Farber,  
14 Yah, you're correct that -- yes, this is the Executive's proposal and what the impacts of it  
15 would be. What this doesn't reflect -- and you're correct -- is non-residential property.  
16 And that is pre -- .  
17

18 Councilmember Floreen,  
19 No, but what it reflects is non-owner-occupied residential property, I think is the  
20 distinction.  
21

22 President Knapp,  
23 So what we would like to get is the chart to show everything else.  
24

25 Councilmember Floreen,  
26 The other stuff -- everything else.  
27

28 Steve Farber,  
29 Sure.  
30

31 President Knapp,  
32 Okay.  
33

34 Steve Farber,  
35 As you say, rental properties not included here. Right. And these are precisely the  
36 questions the distributional effects that we've been discussing with our friends from  
37 OMB and Finance; and we will have that information for you. The other question on the  
38 Charter Limit is whether to exceed it in the first place, and that is a debate that you will  
39 be having. Obviously there are resource reasons for doing so, but there are also  
40 reasons given the pressures of the manifold pressures on folks these days for not doing  
41 so or not doing so to the same extent. Another big issue this year, as always, is  
42 compensation. There are substantial negotiated pay increases that are implied in the  
43 budget. And there are also new collective bargaining agreements that would provide  
44 further increases in salaries and benefits. These are important. These are important



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1 contracts to honor. But there is also another contract. It's in a macro contract really with  
2 the community as a whole. It's a contract to provide good services at reasonable levels  
3 of taxation. And that contract is important to honor as well. So this issue will have to be  
4 reviewed. What I suggested is that one thing the Council might want to look at is to  
5 request the agencies, annually, perhaps in September or when they transmit their  
6 budgets, to submit a workforce right-sizing plan. It's my view, and has been for some  
7 time, that if we're going to provide the salaries and benefits that our employees would  
8 like to have and deserve, we've got to be very careful about workforce growth. You can  
9 grow your workforce and improve your salaries and benefits when resources are rising  
10 sharply. But when you have situations like now, or like in the early '90s, or five years  
11 ago, when your resource growth falls off, you simply can't do both. You have to do one  
12 or the other. And you also have to raise taxes. We're pretty much out of tax room right  
13 now. And therefore we have to look at whether it's possible, without laying anyone off,  
14 to right-size our workforces on a continuing base to be more productive, to take greater  
15 use -- make greater use of technology. The reason I say you don't have to lay anyone  
16 off is that there is a 6 to 8% of your workforce every year in all agencies who leave  
17 because of retirement or other reasons. In County government, this year, it's about 600  
18 people. At MCPS it's about 1700 people. And yes, many of these jobs have to be filled,  
19 but what we've seen in the Council office and in other places is that sometimes through  
20 a -- working smarter, through job redesigns, from technology, it's not necessary to  
21 replace everyone who leaves. And I think we have to take this very seriously, because  
22 otherwise we won't be able to continue to provide the growth in salaries and benefits  
23 that we would like to for our outstanding employees. Finally, on page 9 of the packet,  
24 I've listed some areas where there may be more need for resources than the  
25 recommended budget provides; and also, where they might be available. For example,  
26 if the Council feels that the recommended increase in the property tax is too large,  
27 obviously, you would need to find alternative resources or expenditure reductions. The  
28 same thing is true about the ambulance fee that the Executive has proposed. We've  
29 gotten very little in the way of detail on that. And the Council President has in fact said  
30 that this proposal really can't be considered until after budget. But implied in this budget  
31 is \$6.3 million net that the budget relies on for funding fire and rescue services. In terms  
32 of what might produce more resources, obviously, whatever you decide you can reduce  
33 from the budget, but the budget is pretty spare to begin with. There may be some items  
34 that you can defer. That's easier to do in the six-year Capital Improvements program,  
35 but it's also possible in the Operating Budget; and have you done that in the past.  
36 Another area is salary increases. A 1% reduction in projected COLAs for all agencies  
37 would save about \$23 million on a tax-supported basis. Still another area is the reserve.  
38 We have a 6% reserve. That's \$238 million. If it were reduced say to 5.5% that would  
39 make about \$20 million available. That is something that the County Executive feels  
40 strongly would be a serious mistake, and you see in the packet his memo that outlines  
41 the reasons why. And another area is retiree health funding. As you know, last year the  
42 Council agreed with the Executive, with some reluctance, to a five-year funding  
43 schedule for the pre-funding of the obligations that we have to retirees of all agencies  
44 for their health insurance. This is a very expensive proposition. We have an actuarial





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1 liability for that now in excess of \$3 billion. This year, the County Executive, given the  
2 budget constraints, recommended an eight-year schedule. And that provides \$15 million  
3 more than if we had stuck to the five-year schedule. But if we were to go instead to a  
4 10-year schedule, that would make \$11 million more available. Once again, the County  
5 Executive feels strongly that that would be inadvisable; his reasons are laid out here.  
6 But that is another issue to put on the table, or that Councilmembers have mentioned.  
7 So this is a summary of need for and availability of resources. It is going to be a difficult  
8 budget year. But one month today, May 15th, when you have your reconciliation day for  
9 both the Capital Budget and the Operating Budget, you will make decisions, as Councils  
10 have in the past, and they will be ones that the community will -- that will serve the  
11 community well. That's been our history, and it will be true again this year.

12  
13 President Knapp,

14 Okay. I'm sure people have questions. We have one light on right this second. There we  
15 go; people are starting to light up. One point that I want to get clarification on before we  
16 jumped into this, because you kind of glossed over it on page 4, Steve, was the actual  
17 resources available; on the bottom of page 4. If I read this correctly, we have effectively  
18 \$14.1 million in additional resources over what our current funding level is -- FY08  
19 budget before we actually get to the Charter Limit.

20  
21 Steve Farber,

22 Yes, that's correct. Resources are very constrained this year. That includes the  
23 Executive's recommended property tax increase.

24  
25 President Knapp,

26 Right. Okay. And then the only other things I would like to try and see if we could get,  
27 this came up during our discussion yesterday in the PHED Committee. We worked with  
28 Ms. Michaelson and with Park and Planning staff to try and identify what number we're  
29 actually working from moving into this year. And so I think it's important for us to get a  
30 perspective of what is our annualized FY08 budget, so we know what our baseline is,  
31 including all resources. So we ended up actually having a discussion that went building  
32 both up from what we thought what we found the base to be, and then working our  
33 down from what the Executive had proposed to try and figure out what we thought the  
34 best number would be. And so I think it would be important for us to get a sense of that,  
35 and it's not included in the Executive's budget. So I think it's important to get a sense of  
36 what is our baseline from where we're starting from this year from a macro perspective.  
37 With that, let me turn to Councilmember for questions. I think those are the clarifying  
38 points. The one that his light on first just left. Council Vice President Andrews, you can  
39 go first.

40  
41 Vice President Andrews,

42 Thank you, Council President Knapp. Steve, thanks for an excellent presentation and a  
43 very, very good packet. The Council is really well served by your analysis, and we're  
44 very fortunate to have you. I'm coming at this in a way that I want to get to a budget that



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1 I think treats everybody fairly. Right now, we really have two budgets within this  
2 proposal that's come over from the County Executive. There's one budget that asks for  
3 significant increase in property taxes and significant cuts in services. And that's the  
4 budget for nearly a million people in the County, our residents. And there's another  
5 budget that really leaves the -- 80% of the budget unaddressed, untouched. And that's a  
6 budget that doesn't ask employees to contribute as well to solving this budget gap. And  
7 I think these budgets need to be reconciled. And they need to -- everyone needs to be  
8 at the table helping to solve this problem. The concern I also have is that we not dig a  
9 deeper hole than we're already in. Clearly, we have a significant budget gap this year.  
10 But I think most people think we're likely to have a challenge next year too. That's what I  
11 hear from most of my colleagues and from you, and from what I read from others  
12 outside of this room. So I think that we have to think of this as more than a one-year  
13 problem or challenge. I'm concerned about the proposed increases -- the cost increases  
14 that would go along with a -- the three employee contracts that have come our way; the  
15 one that -- the three-year contract for fire and rescue personnel, and the other, to the re-  
16 openers for the county employees and for the Fraternal Order of Police. Let me  
17 describe my concerns briefly. The fire and rescue contract, if approved as sent over,  
18 would result in a three-year cumulative increase of 28% in pay for most employees,  
19 those employees -- whatever percent and we can determine it. But for those employees  
20 that are receiving step increases, and it varies from department to department. Those  
21 employees would have a compounded increase of 28% over three years, in fact, less  
22 than that because you're really going from the end of this fiscal year, June 30 to July 1  
23 of 2010. And you would have a 28% increase because you have -- in addition to the  
24 COLAs, have you a 3.5% increase in the entire pay level -- pay structure for the whole  
25 department in year three. Which means that year's increase is 10.5% for those that also  
26 receive steps. I just think that is unsustainable, and I'm not going to support it. It also  
27 includes a provision that allows employees to receive 100% of their salary in overtime,  
28 which I think moves us in the wrong direction. Yes there will always be a significant  
29 amount of overtime in public safety departments, but I don't think we want to make it  
30 easy to earn that much overtime. I think there should be required waivers. I think there  
31 should be specific approvals before someone gets even close to that level overtime,  
32 because I don't think it's healthy for people to average 67 hours a week of work -- 67  
33 hours a week for the whole year, which would be what would be required to earn 100%  
34 of salary in overtime. That's not a healthy situation, and it needs to be caught before it  
35 gets to that point and addressed. The other two contracts, the contract for county  
36 employees was a re-opener on retirement. And it would require the County to increase  
37 by 33% its contribution to employee retirement going from 6% of salary to 8% of salary.  
38 I don't think that is necessary to do. It's certainly expensive to do, and I don't think we  
39 can afford to do, certainly not at this time. And if we approve that, if the Council  
40 approves that that's digging a deeper hole for each successive year, because that's not  
41 three years, that's likely forever. For the Fraternal Order of Police re-opener also dealt  
42 with pensions, and that would take from 76% while a person retiring at the maximum to  
43 have a maximum retirement of up to 86% of salary at the highest three years rather  
44 than the current 76%; and that's an increase of 13% in the maximum potential pension.



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1 And I wanted to clarify what portion, if any, of that is subject to taxes to the -- what is  
2 that -- how does that -- what's the tax situation? How's that treated in terms of taxes?

3  
4 Steve Farber,  
5 Well, all of it would be subject to taxation at whatever level.

6  
7 Vice President Andrews,  
8 Okay. All right. Okay.

9  
10 Steve Farber,  
11 Pensions are subject to full taxation.

12  
13 Vice President Andrews,  
14 All right, fine. So you're going from 76% to 86% there, and that's a 13% increase. So all  
15 of those proposals would dig a deeper fiscal hole for the County, at the very time we  
16 know that we're already in one. So I'm not going to support any of those three contracts  
17 for that reason. I simply don't think they're affordable or sustainable. And I think they are  
18 also not necessary to continue to attract and retain an outstanding workforce, which we  
19 very much want to do, and we are doing. We had over 1900 applicants for the last fire  
20 and rescue class. We are doing very well in recruiting. And our goal should not be to  
21 keep up with the Joneses, to keep up with our neighbors, but to pay enough so that our  
22 employees have a decent wage and that we're able to recruit and retain them. We need  
23 to avoid engaging in an arms race with our neighbors. If we're accomplishing our goals,  
24 that should be our focus. And that, I think, needs to be a much more important aspect of  
25 negotiating strategy, than it appears to be. And it certainly, I hope, will be how the  
26 Council looks at what we can support in terms of improvements in wages and benefits.  
27 So those are -- that's my reaction to what has been laid out so far. I think we need to  
28 come up with an approach that is fair to everybody; not a budget that just asks  
29 taxpayers for a significant increase in property taxes, and not a budget that just asks or  
30 also asks for a significant cut in services, but one that also asks something of  
31 employees. I think everyone needs to be part of the solution. Thank you.

32  
33 President Knapp,  
34 Councilmember Elrich.

35  
36 Councilmember Elrich,  
37 I'm not going to -- the first thing I want to say is I think that the discussion about the size  
38 of the workforce and the organization of the workforce is really the critical piece for the  
39 long-term health of the County. We can muck around with these contracts, but if we  
40 don't deal with the reorganization issue we're really just delaying what I think we need to  
41 deal with. My concerns are -- a couple of the. One is reductions across the board; hit  
42 programs at work, and hit programs that don't work. And it seems to me that programs  
43 that don't work they get 5% less money are still getting 95% too much money. And it's  
44 robbing programs that do work of money they need to work. And so I think -- and I know



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1 that the administration has talked about putting evaluation pieces and measurements in  
2 place. And I know that the lack of these things is a longstanding problem, not something  
3 that recently surfaced. But it is absolutely incumbent that we get to the point where we  
4 can evaluate effectively what we do and why we do it. And make budget decisions that  
5 reflect that. So I'm very uncomfortable with the kind of just we're taking this amount from  
6 all the departments, and I really think we need to look harder at where we take it from.  
7 Similarly, I mean, it's easy to say that we could shed 600 employees by not filling vacant  
8 positions, and I could very well see that if I was missing a manager, I could ask other  
9 managers to, you know, make sure that these jobs get done. But if the job is a social  
10 worker, if the job is somebody on the line delivering services out in the community, and I  
11 know what the caseload is of social workers in this County and it's very, very difficult.  
12 That would not be a position that you could just let go and figure that the slack will be  
13 taken up by someone else. So while it's easy to say we'll freeze vacant positions, I think  
14 we could wind up doing a lot of harm by simply freezing vacant positions. Which leads  
15 me back to, you know, what I think we do need to go, which is looking fundamentally at  
16 how the County is organized. One of the questions I have is I think -- I'm not sure what  
17 the right way to do this is, but I think that we need to bring in an outside consultant to  
18 look at key departments and to make recommendations for how to organize --  
19 reorganize those departments. And I'm not interested, and I've told the other members  
20 of the Council this -- I'm not interested in a consultant discussing our mission, because  
21 our mission is something we politically decide if we want to, you know, fund energy  
22 programs or help house, you know, low-income folks, or provide medical care to those  
23 people who don't have it, that's our decision. But how we do it, I think we could we could  
24 use some guidance in it. Because the County government has grown substantially, and  
25 in all of these stovepipe discussions I've heard, you know, it really is the feeling that  
26 we've just added and added and added without any sense of integrating and planning it  
27 better. So what I would like to see in the long term, and you're obviously not going to be  
28 able to do this in the next five weeks, since I think we all plan on leaving May 23, if I'm  
29 not mistaken -- maybe it's the 24th if it's really bad. But somewhere between the 23rd  
30 and 24th we don't want to be here. And so I don't see these problems getting solved in  
31 the next five weeks, but I think it's absolutely incumbent that the administration take a  
32 very hard look at the reorganization. I saw the Executive's reorganization plan. I was a  
33 little disappointed. I understand the idea of aligning the departments and at least getting  
34 things in the right places. I kind of wish that you had gone deeper. Similarly, I  
35 appreciated the Executive coming over at the beginning of his term and saying he  
36 wanted the authority to make management changes, but then saying he wasn't going to  
37 exercise that authority during his term. All the things I've heard about how difficult it is to  
38 change culture, I think it was a mistake not to ask for the authority to have more people  
39 in County government, the managerial positions responsible for carrying out the  
40 programs that an Executive can count on will carry out the programs. Hearing about  
41 bureaucratic resistance and how hard it is to turn the ship, I just don't think we can  
42 afford that luxury. And I wish the Executive had gone deeper in terms of being able to  
43 exert management control over the people who are responsible for implementing these  
44 programs. I guess the last thing I'll say is that I'm not sure where I am in terms of what's



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1 the right tax number to raise. And I'm intrigued by various proposals that I've heard  
2 floated around. I will not support them not exceeding the Charter Limit. And I don't know  
3 how this Council, I mean, if you look at the budget that's been brought over, the \$51  
4 million cuts to schools, with all the invisible cuts to social programs. Because you don't,  
5 you know, the school budget comes over, and we don't fund \$51 million of it, and you  
6 got a department that screams, we've been cut, we've been cut. But all the other county  
7 programs, you know, whether it's the energy program that you talk about, George, or  
8 the, you know, the social service programs that I think a lot of us are committed to, they  
9 don't come over and scream, we've been cut, we've been cut. All we see is what the  
10 Executive told the managers to bring over is their budget number. And we don't see the  
11 cut, and we don't see the pain in the same way. So I don't know how we don't exceed  
12 the Charter Limit and not address any of these very painful cuts that I think a lot of us  
13 want to see restored. So I think it's unrealistic to say we're not going to go there. I think  
14 we are going to go there. And I think it's a matter of how much we're going to go there.  
15 And I guess the last thing is about employees. I don't feel the County employees are  
16 overpaid. And I think it's unfortunate that there -- that the rating -- the rate of increase  
17 becomes the focal point as if that -- and I've heard this in the community, as if this is  
18 proof that we have overpaid County employees, and I just don't believe we have  
19 generally overpaid County employees. I know when I talk to the folks in the Fire  
20 Department, they pointed out that 42% of their members aren't eligible for a step. So,  
21 you know, it's easy to say that everybody's going to get 8% or whatever it is, but there  
22 are 42% who are really only going to see the COLA. Now whether the COLA is right not,  
23 that's a different issue. And people are clearly going to talk about that. But I think, you  
24 know, we need to focus on affordability and what we can manage. I don't think we need  
25 to make it seem like the people who work for us are over paid and undeserving of the  
26 salaries that they're getting, because I don't think that that's really the case in the  
27 County.

28  
29 President Knapp,  
30 Thank you. Councilmember Berliner.

31  
32 Councilmember Berliner,  
33 I wanted to echo the Vice President's observations, Mr. Farber, with respect to your  
34 packet. I thought it was an excellent packet. I was particularly drawn to page 9 of your  
35 packet, which talks about the need for and availability of resources. Because I thought it  
36 sort of captured the essence of the decisions that we'll have before us. And from my  
37 perspective, when I look at the first item that you identify as could cause an increase in  
38 the need for resources, and look at specific additional items the Council feels are  
39 essential. If I had to wager, when I look at what the MCPS budget has been proposed to  
40 be, when I work at Park and Planning's budget was proposed, when I look at  
41 Montgomery College, when I look at the safety-net issues that I know are important to  
42 our HHS Committee, when I look in the environmental initiatives; if I had to bet in this  
43 moment, I'd say we end up adding about \$40 million-plus to what the County Executive  
44 sent over to us. If I look at what the County Executive has proposed with respect to the



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1 tax increase and the property tax increase, I bet we don't go that high. That's my  
2 personal bet. I bet that we end up a number below that. And then you take the  
3 ambulance fee, which hasn't even been sent over to us yet. So that's another six-  
4 million.

5  
6 Joe Beach,

7 Excuse me, can I respond to that? The legislation for the ambulance fee has been sent  
8 over including regulations to implement the fee. We've also sent over the fiscal impact  
9 statement with an attachment with 20 pages of the multi-year revenue projections that  
10 are the basis for it. So I just want to point out we do -- we have sent over the EMS fee  
11 and we have sent over substantial detail on that as well.

12  
13 President Knapp,

14 And I will acknowledge that they did come over late Friday, we got part of it; and on  
15 Monday we got the rest of us -- we at least got the fiscal impact a month after it was  
16 proposed. But, notwithstanding, we'll have further discussion on that. But you are right;  
17 they did come over.

18  
19 Councilmember Berliner,

20 I appreciate the clarification. The late breaking news; the fact it is now before us. It has  
21 now been sent over. But -- each of us will go through our own analysis as to what these  
22 numbers mean. But my best guess is that we're going to be \$80 million more in the hole  
23 just by looking at the top part of what Mr. Farber has laid out before us. And I think we  
24 are going to have difficult choices as it relates to the bottom part of your analysis; that  
25 is, where do we get the additional resources from. I wanted to ask a question of Mr.  
26 Beach, if I could, with respect to an aspect of the conversation that has been taking  
27 place in the larger community, and I think was explicitly in an MCPS document that was  
28 shared broadly with the community regarding the estimate of tax revenues -- income tax  
29 revenues. And I had been among those last year that had questioned whether or not  
30 our estimate with respect to tax revenues was unduly conservative. And that was in a  
31 climate really at the tail end of when the economy had been doing well. And I felt that  
32 we were understating it. But I would be grateful if you would address directly the notion  
33 that there is \$77 million more that we should assume in terms of revenue than you are  
34 currently assuming. Because it is part of the discussion out there, it is part of what we  
35 are being told should make us less conservative in our own approach this to budget. So  
36 I'd be grateful if you would care to respond to that.

37  
38 Joe Beach,

39 Briefly, I would also like to invite my colleagues from the Department of Finance to join  
40 me at the table for that. First of all, I'm not familiar with the document you're referring to.  
41 Second of all -- so it's difficult for me to assess that judgment without being more  
42 familiar with it. However, I would say our revenue estimates, especially income tax, is a  
43 result of a lot of analysis, a lot of research, a lot of working with the Comptroller's Office.  
44 And so it the result of, you know, some very good staff work by the Department of



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1 Finance with a lot of peer review on that as well. So I think we have a solid analytical  
2 basis for our forecast. I don't think we want to be, especially at this time, either in a  
3 recession arguably, or going into one, being anything other than very careful about our  
4 revenue estimates. One of the worst things we could do at this point fiscally is to  
5 assume greater revenues than actually are likely to appear, make commitments in  
6 excess of that revenue, and then we're back in the middle of FY09 with a savings plan,  
7 with a hiring freeze, and redoing the budget altogether. So, I mean, that's generally my  
8 view, not having seen the document. I think we're very careful with our revenue  
9 estimates. We don't try to be conservative as much as we try to be accurate, and, you  
10 know, represent our best estimate of what, you know, the resources available to the  
11 County will be in the current and coming fiscal years.

12  
13 Councilmember Berliner,  
14 I appreciate it. That's all I have, Council President.

15  
16 President Knapp,  
17 Councilmember Trachtenberg.

18  
19 Councilmember Trachtenberg,  
20 Thank you, President Knapp. Well, the conversation, of course, is beginning. And I  
21 wanted just to bring forward some general comments about the budget exercise as we  
22 enter the fray. And, obviously, as we all know, the budget statement is a statement  
23 around priorities. And clearly priorities of this Council. And we all know that the revenue  
24 is down, and some of us are looking at the idea of bringing expenses down as well. In  
25 fact, I suspect we're all thinking about that. But that doesn't diminish different facts. And  
26 one clearly is that we have a number of contracts that were negotiated in good faith,  
27 clearly that have retirement obligations attached as well. But then there's the harsh  
28 reality that in today's weakening economy, working families are being squeezed pretty  
29 much everywhere. And their hard earned dollars are not paying for as much as they'd  
30 like. And obviously, the problems that we're trying to address in this year's budget are  
31 very much multiyear problems. And I've been saying that now for a few weeks and that  
32 speaks to the fact that there aren't going to be any quick fixes or any kind of short-term  
33 solutions. So, again, I think that calls for a thorough dialog. But it also calls for a  
34 strategic plan that's developed that addresses activity over a few years' time. And this  
35 statement I'm about to make goes very much to some of the remarks that were shared  
36 by my colleague, Councilmember Elrich. You know, I have been sitting here now for a  
37 year and a half, and one of my growing frustrations has been around policy  
38 development and department programming. And I very much believe we have relied  
39 way too much on the availability of funding from State and Federal pots that I really  
40 don't believe we're at the point where we're really making policy decisions, in particularly  
41 staffing decisions, based on outcomes and needs. I know the Executive Branch has  
42 taken some important steps by developing things like CountyStat, and also results-  
43 based budgeting process. However, I'm not convinced at this time that that's really  
44 going to get us where we need to be in the short term. Perhaps I'm wrong about that. I



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1 hope I am. But one of my frustrations clearly is the fact that I don't see a real strategic  
2 policy being developed around one department in particular, and that's HHS. Again, that  
3 doesn't diminish the contributions of those that work for the department or the director  
4 there at all. But I have been looking hard and fast with the assistance of my staff, and I  
5 don't see things like evidence-base as much -- it's not as much of a factor, and some of  
6 what's been carved out as I think it needs to be. And I'm going to be very firm about that  
7 as we have conversations around the HHS budget this cycle. But, again, you know,  
8 we're not going to come to any easy decisions. And I think the important activity that we  
9 have to pursue is really having comprehensive information provided to us. And while I  
10 think pretty much revenue has been covered, although revenue is a moving target in my  
11 mind, but it's been covered. I think the real substantial conversation that has to begin is  
12 one on expenses and, no doubt, staffing and contracts is going to be part of that. I know  
13 that the MFP Committee will be taking up contract terms on April 21st. I had requested  
14 of Mr. Farber that he provide us with some definitive information on costs for all  
15 contracts and for COLAs. I think the other part of that conversation, part B of that  
16 conversation, is going to have to be about staffing in different agencies and what the  
17 bottom line is across agencies. So again, I'm, believe it or not, looking forward to those  
18 conversations, because those are going to help us define the road map. And I certainly  
19 believe, and I'm sure my colleagues do as well, that we have an obligation to have both  
20 a thorough and transparent dialogue about all of this, not just about the shortfall, the  
21 revenue challenge, but really the strategic plan that we develop together around the  
22 priorities that we set and the obligations that we honor.

23  
24 President Knapp,  
25 Sure. Councilmember Ervin.

26  
27 Councilmember Ervin,  
28 Thank you very much. I think we're all in this together, obviously. And in the MFP  
29 Committee, I actually abstained on the vote because I felt like we were still early in the  
30 process, and that there's a lot of information that's still yet to come to us. And so I really  
31 like the way that Councilmember Elrich laid out where he is going, and Councilmember  
32 Berliner, I would be probably in agreement that there is not one way to skin this cat. It's  
33 not going to be just by raising property taxes, nor will it be by balancing the budget on  
34 the backs of our employees. I think there are going to be a lot of different ways that  
35 we're going to have to get to the end game. I do want to point out that this year is  
36 different from a lot of prior years in that the rate of inflation isn't 2% or 3%; the rate of  
37 inflation is 4.9%. So for those 5% COLAs, they're being eaten up right off the bat by the  
38 rate of inflation. And what I also think is interesting is how many folks who work for  
39 County government cannot afford to live in the County. The principal's union [inaudible]  
40 has 64% of its employees living outside Montgomery County. The MCEA, the union that  
41 represents all the County's teachers, reports about 42% of its members are living  
42 outside the County. The service employees' union, Local 500 that represents bus  
43 drivers, cafeteria workers, other supporting staff personnel, 79.4% -- or 20% of its  
44 members live outside the County. And so when you look at how many folks we're talking





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1 about, working people who are the backbone of this County government, I think that if  
2 we start from the point of view that folks are making way too much money, and that  
3 we've got to balance the budget on their backs, need to look again. The economic  
4 situation and the economic condition for many residents of the County are very difficult  
5 right now. From homeowners to people who rent, more families who are in foreclosure,  
6 more families who need rental subsidies and rental assistance. The number of children  
7 who live in poverty in this County has climbed to a number of 26% of our students  
8 attending Montgomery County Public Schools live in poverty. That's one in four children,  
9 and that number is increasing. So we have a different kind of a population in  
10 Montgomery County than we have in the past that need our county services. And this is  
11 a reality that I think most people are going to get a real good look at very soon. And so  
12 the need to support the HHS budget is greater. And the need to support the folks who  
13 are really hurting financially is really important. And so we still have a ways to go here. I  
14 think that a lot of these conversations are preliminary. We don't have the marks we're  
15 waiting to get. And so I am in the same place that Councilmember Elrich and  
16 Councilmember Berliner are, and that is to be realistic. We're going to have to have  
17 some kind of property tax increase. It might not be as great as the proposal that came  
18 over from the County Executive, but I think it will be in a combination of items that we're  
19 going to have to look at to balance this budget.

20  
21 President Knapp,  
22 Thank you. Councilmember Floreen.

23  
24 Councilmember Floreen,  
25 I just wanted to thank my colleague, Councilmember Ervin, for introducing some of the  
26 facts that inform our policy decisions. And I would just like to remind us all that, you  
27 know, in a time of fiscal challenges, we do need to focus on core governmental  
28 priorities. And that largely involves worrying about the people who aren't in the room.  
29 That largely involves worrying about keeping basic services available to people who  
30 need it most. And it also involves creating an environment that is vibrant enough to keep  
31 our teachers here, to keep our service workers here, to keep our very -- a staff here  
32 upon whom the entire County is dependent. This is a demanding community. And they  
33 require a high professionalism in County staff to serve them. And that is, of course, the  
34 challenge of this exercise. But I hope we can remember some of these key statistics as  
35 we work through this. Because this isn't just about money, it's about creating an  
36 environment that works for a huge range of people. And I wish we had a little chart in  
37 back so we could all be reminded of these pieces of information that play into almost  
38 every single decision that we make. We need to work at connecting the dots more  
39 regularly than we do, because there's a connection between what we do here in budget,  
40 what we do in land use, what we do in health and human services policy, and what we  
41 do in regard to education. This is -- the budget is a moral document. And it's probably  
42 more so this year than usual.

43  
44 President Knapp,



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1 Well there you go. And you've now heard the range of perspectives. I think the thing that  
2 is important for everybody to remember is that we are working in this together. And I  
3 appreciate the Executive Branch and what they've submitted. I appreciate Mr. Farber for  
4 he has drafted for our consideration today. There are going to be a lot of different ways  
5 to get there from here. None of them are going to happen easily. They're going to  
6 require a lot of participation, a lot of give and take, a lot of dialog with those of us here,  
7 with those of you out, and to make sure that we hear the people who need to be heard,  
8 and recognize that even in hearing them, we're probably not going to be able to get  
9 everything -- everyone all that they need. I thought the testimony that we heard from  
10 folks last week was very compelling. Probably about half of the folks that came in spoke  
11 on behalf of the school budget, which is appropriate since that's about half of the budget  
12 we're funding. I think that we heard some very poignant testimony from folks who, in the  
13 time that I've been here, have not come forward before. And some programs that I didn't  
14 even realize that we had; and I forget the one at MCPS -- in the police department, the  
15 women with the two autistic children. Pardon?

16  
17 Unidentified,  
18 [Inaudible].  
19

20 President Knapp,  
21 Project Lifesaver, which I thought was very compelling. A woman with two autistic sons,  
22 who had lost her sons; and I didn't even realize that that program existed in -- deep  
23 within our police department budget. So I think as we look closely there are a lot of  
24 things that we are going to find that we didn't necessarily realize were there, some  
25 things that are going to be important for us to understand more fully. And I look forward  
26 to the course of the next month in which we do that. I do think it's important though that -  
27 - I appreciate the Council Vice President's perspective on the two budgets, but I think  
28 we really have one budget and we have one community. And if we talk about providing  
29 services to that community, we provide those services with the people who deliver those  
30 services. And so when we talk about reducing pay to those people, at some point, those  
31 people go somewhere else and do something differently, which means we have fewer,  
32 or lesser qualified people sometimes to do the job that we're trying to get done. And so I  
33 think it's important for us to keep that in mind. I don't know at what point people start to  
34 say, you know what, 50% of our workforce in different agencies and departments lives  
35 somewhere else, that it's easier for them to say, I can stay and work closer to home,  
36 because all of the other issues in my life become much simpler because I don't have to  
37 deal with daycare the way I do now. I'm closer to my kids. My commute is better. And so  
38 I think we need to be very careful about how we balance all of those options when we  
39 talk salary. It's not just salary. There are a lot of other pieces that are there. And we are  
40 in competition with all of the other jurisdictions. And so I think we need to be mindful of  
41 all of those elements. And I know the Council Vice President is concerned about all  
42 those elements as well. There are a couple of questions that I wanted to ask and get  
43 some information on as we start this discussion. First though, I wanted to clarify the  
44 point, Mr. Beach, yes, the County Executive did, in fact, send over an ambulance fee



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1 last week. I think the frustration that you hear is that an ambulance-user fee was  
2 proposed four years ago, and I believe that it was -- there were three presentations that  
3 took place before the Council before it was ever even brought over to be introduced.  
4 And when it came over, there were many, many elements included into the packet,  
5 especially as it related to the implementation of how it would occur. And there were then  
6 four committee worksessions after that that still never got us very far down the road,  
7 because there were still so many questions that remained unanswered. So to have had  
8 something like an ambulance-user fee proposed in this budget at the time that the  
9 budget was introduced, and then to not see the details of it for at least a month when we  
10 know that much time took place when the Council tried to consider an ambulance-user  
11 fee before, I think that's the part there's a frustration. So I think there's a lack of reality  
12 as it relates to introducing this, and then kind of throwing over the pieces as they are.  
13 And the regulation that you've cited is, in fact, an example regulation, not the regulation  
14 that would implement this, as I understand it having read through it the other evening.  
15 That's how it's presented in the document. There may be more there. But I think that's  
16 the frustration that you hear, because this is not a simple thing, and has a significant  
17 impact on the community. And so recognizing how much lead time it requires to put  
18 something like this into place, I think that's the frustration. Because there's no way  
19 you're going to get there in three and a half weeks. It's just not going to happen.

20  
21 Joe Beach,  
22 If I could, briefly though?

23  
24 President Knapp,  
25 Sure.

26  
27 Joe Beach,  
28 On the EMS fee, as you're well aware being on the Public Safety Committee, we have  
29 upcoming huge resource needs in the fire rescue services, opening new stations in East  
30 Germantown and Clarksburg. We have apparatus. We have four-person staffing. And  
31 our feeling is that the way that we've structured the EMS fee, that's going to provide the  
32 resources that we need to pay for those improvements, or the improvements aren't  
33 going to be done, or they're going to be paid from the consolidated fire tax district  
34 property tax.

35  
36 President Knapp,  
37 And I think that the Council generally agrees with that assessment. That's why I think it's  
38 even more important to make sure that we had a thorough vetting of all of the pieces to  
39 make sure that we could actually look at how this would be implemented. Because I  
40 think it's critically important. But we don't have the time now with all the other issues that  
41 the Council is going to have to address in the next three weeks to look through a fairly  
42 austere proposal and recommendation. And I think there are even a number of  
43 inconsistencies, for example, in the budget I don't believe that the ambulance-user fee  
44 actually identifies -- is linked directly to public safety resources. I recognize in the



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1 legislation you sent over, you tried to make that link, but that's not consistent with what's  
2 actually in the budget. So there are a lot of pieces like that. So I appreciate it, and I think  
3 the Council will get to that. But I think given the resource requirements we are going to  
4 have to make sure that we have a full vetting. And so I just don't know how you're going  
5 to get there in three weeks. That was the point. And I think that is the frustration that you  
6 heard on the part of the Council. I wanted to try and get to -- there are a number of  
7 issues as it relates to the GASB piece. I know that there's been conversation. The  
8 Executive has sent over his memorandum indicating his concerns with both the reserve  
9 and the GASB piece. I think it would be worthwhile for us to get feedback from bond  
10 counsel just to be some perspective as to some -- to advise us a little bit on that. The  
11 other piece is, as it relates to the Housing Initiatives Fund, there is a recommendation  
12 as it relates to utilization of a short-term debt instrument, which there have been a  
13 number of articles over the past two weeks in a variety of publications as to jurisdictions  
14 which have begun to try and use short-term debt instruments that have not gone in the  
15 direction they had anticipated them going. In fact, they're costing them much more  
16 money now than they were before. And so I think it's important for us to get some sense  
17 as to how that would fit relative to our bond rating, and other things. So I think that  
18 would be another element if we could get bond counsel to get us some feedback on  
19 that. As it relates to the contracts that have recently been sent over; are the assumed  
20 costs for the -- are the contracts' costs assumed in this budget document?

21  
22 Joe Beach,  
23 For the County Government it is.

24  
25 President Knapp,  
26 For the newly negotiated contracts?

27  
28 Joe Beach,  
29 Absolutely. Yes.

30  
31 President Knapp,  
32 Okay. And also -- and this wasn't clear to me. I've actually heard this from other  
33 jurisdictions, interestingly. Is there a way that we would be able to find management  
34 salary increases? Interestingly, I've heard from other jurisdictions that we have become  
35 an example of interesting pay increases from a management perspective over the  
36 course of the last couple of years. And I'd like to actually take a look at that too. If we're  
37 going to put salaries on the table, I think we need to make sure that we've got all of  
38 those on the table. And I didn't realize till I was down at Council of Government's  
39 meeting how people are perceiving us as it relates to the management perspective. So I  
40 think that's something we have to take into account as well.

41  
42 Councilmember Floreen,  
43 Can you explain it?



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1 President Knapp,

2 There are a number of directors and chief administrative officers in other jurisdictions  
3 that were very excited at the new salaries that many of our department heads had  
4 received. And there was an expectation, as I understand, throughout the region that  
5 they would all see significant bump-ups in the course of their next negotiated  
6 agreements starting this year. And given the downturn in the budgets, that hasn't  
7 occurred in the way other jurisdictions anticipated. But I didn't realize we were quite the  
8 model like that. It was interesting to me. So we're going to need to put that into account  
9 as well if that's going to be something we put on the table. And then I guess the part I  
10 was struck with was to find -- to conclude is the 51.1 million that was proposed to come  
11 out of MCPS. The quote is effectively -- the total FY09 Operating Budget  
12 recommendation supports educational needs and maintains commitments to  
13 employees. But I was struck -- and if you look at the workforce and compensation piece  
14 on page 8.1 in the budget document, in all of the other agencies it talks about what the  
15 network years are, and the increase in work years and what the accompanied increase  
16 personnel costs are. But it doesn't talk about that as it relates to MCPS. And so I would  
17 like to get, since the [inaudible] requires it, some feedback from the Executive Branch  
18 as to how they would like to -- how the \$51 million actually could be applied to the  
19 MCPS budget without having any impact on employees or maintaining commitments to  
20 employees. I think that would be helpful for the Council's consideration. And Ms.  
21 Floreen raised a notion of the property taxes, looking at all the various options across,  
22 not just with residential. And just checking questions. And then, Steve, on the right  
23 sizing piece, I think that's actually an interesting proposal. And I like what  
24 Councilmember Elrich raised was the notion of the management review. I think that's  
25 going to be helpful. But as we talk about even the right-sizing, is there a standard out  
26 there that we should be looking for, as we try to right size? Is there -- I know we have an  
27 analysis that shows an employee per population basis. Is that the right type of analysis?  
28 Is it delivery of services? But as we start to consider that, if there are some examples of  
29 places that we look at, a government of this size, what are the types of standards we  
30 might be looking for to try and address some of those issues? And I think those are all  
31 the questions I had from this. Councilmember Elrich.

32  
33 Councilmember Elrich,

34 Just one more quick clarification on the school budget issue. If we were to target some  
35 cut in say an area that did involve where teachers were, if -- but any advice on how to  
36 do that would be totally irrelevant. In other words, if I had made a cut of \$10 million, and  
37 we made a suggestion that the cut came from here, there's no guarantee at all that they  
38 would do that. They could actually take that \$10 million and increase class size or cut  
39 employee salaries as opposed to what we might have suggested; is that true?

40  
41 Steve Farber,

42 Well, again, the Council does appropriate by categories. The categories are pretty  
43 broad. I'd really want to consult with our attorneys and with MCPS before answering  
44 your question specifically. I don't know the specific answer.



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Councilmember Elrich,  
Okay.

President Knapp,  
Councilmember Ervin.

Councilmember Ervin,  
As someone who served on the Board of Education, I do know that when the budget goes back to the Board, they will look at the recommendations from the Council. They don't have to necessarily follow the Council's advice. That's just a recommendation. What they will do is try to hit whatever the mark is. And they could take that from any of categories.

President Knapp,  
But I think it's important for us to get further clarification on that point. There is a process by which occurs, and I just -- we just need to figure it out.

Councilmember Elrich,  
[Inaudible] little bit different. You said any of the categories. I thought they could take it from any place within the category, if we targeted the category. But if we put it -- .

President Knapp,  
We can clarify that point, so we can actually get the answer to that question. That's one of the few things we can get a real answer to, which is good. With the rest of that, I mean, we're going to keep working together.

Councilmember Berliner,  
Is this still the same item? Are we still on [inaudible].

President Knapp,  
Yeah, we're still on this one, but we're going to turn. We're going to turn right now to item number 4. We are. So the only point I wanted to close on as it relates to the Operating Budget is -- and it's a point that many of my colleagues made during the course of our discussion last week in our public hearing, is one of transparency, which I think is a word I think tends to be overused, because I don't think people necessarily all agree as to what that is. But what I want to encourage people to do is to participate in the process with us to the greatest extent possible. We have a month. We have lots of ways that we will communicate. We have blogs. We have email. Participate in the public hearings -- work sessions. I have also worked with our communications office so that all the budget documents will be available on the front page of our website. So it's not as if someone has to go and identify which committee item they have to go find. They actually can just click on our budget section on the front page of the Council's website and get the budget documents that the Council is looking at. And if people have other



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1 suggestions as to how we can make this information more readily accessible and  
2 available so that all of our participants can participate, we would be happy to try to work  
3 with people to do that. So I thank you, Mr. Farber, for your overview. It certainly sets up  
4 the next four weeks very nicely. And I look forward to working with the Executive Branch  
5 to ultimately get to a resolution on our budget. Councilmember Leventhal.

6  
7 Councilmember Leventhal,

8 I just want to say, I look forward to working with you, Mr. President, over the next few  
9 weeks. And I want to urge all my colleagues to maintain our sense of humor.

10  
11 President Knapp,

12 Very good recommendation. We're going to have to laugh a lot. And our first item is  
13 going to Agenda Item number 4 -- Spending Affordability Guidelines. So we'll see how  
14 people's sense of humor works there. Looking at the time, we are obviously running  
15 behind. This is a difficult budget year. I thought it was worthwhile for us to have a longer  
16 discourse there. We still have to get through Spending Affordability Guidelines and the  
17 Government Reorganization bills that we have in front of us. Keep that in mind  
18 colleagues. Mr. Sherer-- actually Council -- Chair -- MFP Chair Trachtenberg.

19  
20 Councilmember Trachtenberg,

21 Thank you, President Knapp. This is a conversation that we were all waiting for. In fact,  
22 I arose before 6:00 a.m. this morning. I couldn't sleep any longer, I was anxious about  
23 having this conversation. We met back on April 10th within the MFP Committee to  
24 discuss the guidelines. And I am bringing to you a recommendation from the  
25 Committee, which was a 2-0 recommendation. Councilmember Ervin, as she indicated  
26 earlier, had abstained from the vote at that time. The recommendation on this is that the  
27 ceiling on property taxes be set at the Charter Limit; and that would be clearly achieved  
28 by reducing the rates. Basically, the recommended amount of property tax is exactly  
29 \$137.8 million less than what the Executive recommended. And, you know, in essence,  
30 the Committee made this recommendation acknowledging the fact that the Council may  
31 very well indeed exceed the Charter Limit when we do approve our budget document in  
32 May. In fact, I would take an educated guess that that might happen. But what I would  
33 want to underscore at this time is that a majority of the Committee believe that we did  
34 not want to start the budget process with the assumption of breaking the Charter limit.  
35 We might, indeed, as I said just now, have to exceed it. And what I would suggest to my  
36 colleagues and those that are gathered here this morning is that these guidelines are  
37 not subject to prevailing winds. They're very much a road map. But they also have to  
38 reflect the reality of really where we are right now, and clearly, where we are around  
39 money. And I would just submit to my colleagues that the responsible course of action, I  
40 think this morning, is for the Council to take a hold of this by keeping the spending  
41 down, and cutting our expenses. And that means keeping, at least for now, the Charter  
42 Limits in place, and taking a real world view of what the guidelines are which are a road  
43 map; a road map that we have to use in very difficult financial times. I know that the



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1 Council Vice President has a motion to make about the recommendation from the  
2 Committee. And I would defer to him at this time.

3  
4 President Knapp,  
5 Council Vice President Andrews.

6  
7 Vice President Andrews,

8 Thank you. Thank you, Madam Chair. What I wanted to note was that the Committee  
9 did not really get into the details of whether to address the Charter limit by a credit or by  
10 a rate cut. It is presented that we would want to achieve it by a rate cut, but we really  
11 didn't have a discussion on it. Last year, when the Council stuck to the Charter Limit, we  
12 did it by reducing it -- by getting to it through credits rather than rates, which results in  
13 more property tax revenue, because the credit applies only to owner-occupied homes,  
14 whereas a rate cut applies to all categories that pay property tax. So the bottom line is  
15 that if we were to set the -- getting to the Charter Limit by credits, it would require  
16 reducing the County Executive's proposal by 111 million, not 129. If you look on page 2  
17 of the packet for today, Agenda Item 4, the numbers would change this way. The MFP  
18 recommended that the Charter Limit achieved entirely by reducing the rate is 1247.5;  
19 that would change to a total of revenue amount of 1266, which is a \$19.5 million --  
20 \$18.5 million difference. And the MFP reduction from the County Executive to reach the  
21 Charter Limit would go down by 18.5 million from those last two numbers each. So that  
22 is a significant difference. And I would recommend that we follow that approach, which  
23 is the approach the Council followed last year that is reflected in this year's budget. And  
24 that I think makes it a -- I think it's wiser from a couple points of view. And let me say  
25 that I think that the County's goal -- the County's policy of the Charter Limit is an  
26 important public policy, because what it does is to keep increases in people's property  
27 tax bills to roughly the inflation rate. People still pay more at the Charter Limit. They pay  
28 about the inflation rate more. It's not flat. But it keeps it to that level. And the reason the  
29 County has done that over the years, and has felt that that's important to do, is because  
30 people have much less control over their property tax bill than they do over some other  
31 things. The income tax is a much better indicator of people's ability to pay than is the  
32 property tax bill. And so, over the years, this Council has made our tax system more  
33 progressive by keeping property tax rates and bills down basically to the inflation right,  
34 while increasing the income tax over the years to its current legal maximum. And that  
35 restructuring of where our tax revenues come has made our system more progressive  
36 than it was ten years ago. It's a better way to do it than we used to. But we are at the  
37 maximum in terms of the income tax. The energy tax was raised substantially five years  
38 ago. So was the recordation tax over the years, and the transfer tax, and impact taxes.  
39 So the property tax is the tax that people have the least control over. It really does affect  
40 people who have seen their home appreciate, but not their incomes appreciate, and  
41 want to stay in their home. And so I think it is important that we continue to have it as  
42 something that we try to achieve. Now I recognize that it's not going to be easy, and it  
43 may not be something we get to. And those who say we're not going to reach it this  
44 year, well, I'm not going to say they are not right. They may well be right. But I think if





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1 we don't have it as something we want to get to or close to, we won't get as close to it  
2 otherwise. I think you get closer to what you aim for than what you don't. And I'm aiming  
3 for it, because I think it will result in us getting closer to it than otherwise.

4  
5 President Knapp,  
6 Councilmember Leventhal.

7  
8 Councilmember Leventhal,  
9 Thank you, Mr. President. I have a question for whoever is most appropriate on the  
10 staff. It may be Mr. Hanson. The Charter says, on page 11, section 305, that the Council  
11 shall annually adopt Spending Affordability Guidelines for the Capital and Operating  
12 Budget. So under the property tax question that was -- the charter amendment that was  
13 adopted, I think in 1991, we the Council must go through this exercise annually. And we  
14 did so in December of 2007. And historically, the Council, because it knew that new  
15 revenue estimates would be available when the County Executive transmitted his  
16 budget on March 15, adopted an update. My question now for whomever, Mr. Farber or  
17 Mr. Faden or Mr. Hanson, whoever wants to jump in -- Mr. Sherer -- is do we -- must we  
18 today -- knowing that we are already guided by the SAG that we adopted in December  
19 of 2007, must we today emerge from this discussion with an update to that under the  
20 Charter; or by adopting the SAG in December of 2007, have we already fulfilled our  
21 obligation under the Charter, and, therefore, could we do what I would like us to do?  
22 Which is, I don't believe there are five votes on this Council to adhere to the Charter  
23 Limit. I'd like to just vote down the MFP Committee's recommendation and then move  
24 the agenda, rather than here, this morning, trying to craft an alternative. We know we  
25 have the budget before us. We're in the midst of it. It's a seven-vote budget no matter  
26 what we do. So my preference would be, you know, Chairwoman Trachtenberg and  
27 Council Vice President Andrews have eloquently stated that they'd like to begin the  
28 conversation by aiming for the Charter Limit. My guess -- that's not what I want -- that's  
29 not where I want to begin the conversation. My preference would just be to vote no, and  
30 then go to the next item on the agenda. If we did that would we be in compliance with  
31 our requirements under the Charter?

32  
33 Steve Farber,  
34 I'll welcome my colleagues' comments as well. But my understanding of the law that the  
35 Council passed to implement the Charter amendment is that in April the Council may  
36 update, may revise the guidelines that it adopted in December to take account of  
37 changes in circumstances. Mr. Sherer reminded me the other day that there is at least  
38 one occasion in which the Council in April could not agree on revisions to the fall  
39 guidelines, and therefore stayed with the fall guidelines.

40  
41 Councilmember Leventhal,  
42 Okay. So that then, if I could, Mr. President, that would be my motion. Or I don't even  
43 need a motion. We have the committee's recommendation before us. My intent is to  
44 vote against it. And it would be my hope that we could not have a lengthy debate on



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1 this. We understand the issues. I mean, Councilmembers are free -- I'm not moving to  
2 table, I'm just stating that my intent will be to vote no on the committee's  
3 recommendation. If colleagues agree with me, then we could just have a prompt vote  
4 and move the agenda this morning.

5  
6 Councilmember Trachtenberg,  
7 Okay.

8  
9 President Knapp,  
10 Actually there are clarifications, so let's hear a clarification. Ms. Floreen and then -- .

11  
12 Councilmember Floreen,  
13 A technical question here. What we did in December when we adopted guidelines was  
14 this, correct? To set a ceiling on property-tax revenue at the Charter Limit to be  
15 achieved entirely by reducing the rates; that's what we set in December. Was this?

16  
17 Councilmember Trachtenberg,  
18 Correct.

19  
20 Councilmember Floreen,  
21 Is that correct? Everybody agrees?

22  
23 Unidentified,  
24 Yes.

25  
26 Councilmember Floreen,  
27 So the MFP recommendation doesn't offer a change to that. Is that correct?

28  
29 President Knapp,  
30 That's correct.

31  
32 Councilmember Floreen,  
33 That's just what wanted to say. So it's just sort of -- that's where we are. Okay thank  
34 you.

35  
36 Councilmember Leventhal,  
37 I don't have the power to call the question.

38  
39 Councilmember Trachtenberg,  
40 Yeah, that's what I thought. Well -- .

41  
42 President Knapp,  
43 Hold on.



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1 Councilmember Leventhal,  
2 I think I -- if I can get the floor back just briefly. First of all, I don't have the power to call  
3 the question. The only way to call the question is by two-thirds of the body.  
4

5 Councilmember Trachtenberg,  
6 Right.  
7

8 Councilmember Leventhal,  
9 I'm not asking for that. I understand Ms. Floreen's point. If Ms. Floreen believes it's  
10 important rhetorically to state we've already begun the conversation by saying we hope  
11 to adhere to the Charter Limit; certainly, ever year, we hope to adhere to the Charter  
12 Limit. I just -- I don't think it serves us well at 11:25 this morning to try and craft an  
13 alternative to the MFP Committee's recommendation. I don't think that would be a  
14 particularly fruitful exercise right now. We have the budget before us. We're going to  
15 spend the next month going through the budget. We've already adopted Spending  
16 Affordability Guidelines. If I understand what Mr. Farber correctly, we may update them  
17 today if we so choose.  
18

19 Councilmember Trachtenberg,  
20 Right.  
21

22 Councilmember Leventhal,  
23 The MFP Committee has made a recommendation. I don't support it. I'm not voting for  
24 it. My hope would be we could just vote no and move the agenda.  
25

26 President Knapp,  
27 MFP Chair Trachtenberg.  
28

29 Councilmember Trachtenberg,  
30 Okay. Well, in effect, this is a conversation, George, that I've been having the last few  
31 days with a number of colleagues. And I would suspect from the dialog here this  
32 morning that the will of the body is to actually just adhere to what guidelines were set  
33 back in December. And so with that in mind, wouldn't it just be cleaner procedurally to  
34 actually leave them alone and let the recommendation from the committee simply be  
35 that we are leaving them alone; that we are going to use as the guidelines the ones that  
36 were approved by the full Council in December? It's just, to me, it's just a formality.  
37

38 President Knapp,  
39 Councilmember Elrich, a question.  
40

41 Councilmember Elrich,  
42 I've got a response.  
43

44 President Knapp,



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1 Okay, or a response.

2  
3 Councilmember Elrich,

4 Not a question, I mean, it seems to me that whether we vote down their proposal, or  
5 support their proposal, in effect, what we did in December is the same thing. I'm going  
6 to vote against the proposal. Because if this is all about setting out a marker and saying  
7 what we expect, I don't want to tell anybody from my perspective that I believe for a  
8 second that we're going to be able to do this without going over the Charter Limit. And I  
9 agree with George that this may be a bad time of the morning to try to come up with a  
10 number that five or seven or however many of us needs to agree to. And so we don't  
11 need to go there. But I will vote no against this because I think it sends the wrong signal  
12 to the community that we intend to adhere to something that we cannot possibly adhere  
13 to. I do not -- I see no way, even given all of the stuff that was in the package of  
14 additional revenue sources, that we could make up this money through anything other  
15 than magic. I don't believe in magic. Magic couldn't save Barry's Magic Shop in  
16 Wheaton. Not even Tinkerbell, Roger. So none of these things work for me, so I'm going  
17 to vote no. And people can interpret that the way they want.

18  
19 President Knapp,

20 I appreciate the point that Councilmember Leventhal has raised. And I appreciate the  
21 point actually the MFP Committee Chair has raised, because effectively, you end up at  
22 roughly the same point. I guess the point that I am very mindful of is how people are  
23 trying to interpret whatever it is that we're going to do. And I think give the conversation  
24 we just had over the last hour, given the fact we only have \$14 million in additional  
25 resources above what we're spending right now in this year, would indicate that we're  
26 probably going to exceed the Charter limit. I'm very cognizant of the fact of my  
27 colleagues that says we should start our discussion somewhere. But we start our  
28 discussion at the Charter limit, and I think that we should work as close as we can to try  
29 to, I wouldn't say adhere to it, because I think when you're looking at numbers, as we  
30 have in front of us, I don't want to mislead anybody. By the same token, as I've said for  
31 the six years I've been on the Council, if the Council exceeds the Charter Limit, it is our  
32 responsibility to ensure that we explain to our residents how that Charter Limit has been  
33 exceeded, and what those additional resources are going for. And I think we owe them  
34 that process. And I think that during the course of our budget deliberation we need to be  
35 mindful of that. But I think that if we -- people are trying to look at it to say, oh we're not  
36 going to exceed the Charter Limit; therefore they're not going to raise taxes. I don't think  
37 that's the right message to take away from the day. We're going to use the contracts to  
38 get to the Charter Limit. I don't think that's the right answers to take away from today.  
39 That we can fund this budget some other way that hasn't been already presented to us;  
40 I don't think that's necessarily the answer to take away. So I think that there's not going  
41 to be a clear box here to be able to put anything in. And so I think that either the motion,  
42 or the suggestion made by Councilmember Leventhal, or the MFP Committee  
43 recommendation, are probably efficient ways for us to proceed, because it's going to be  
44 a 7-vote budget, and that's just the fact of the matter. And we're going to have cobble



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1 together a variety of resources and a variety of reductions to get to that end point. And  
2 so that's my perspective on it. I will turn to Councilmember Leventhal for the final work,  
3 and then we will vote.

4  
5 Councilmember Leventhal,

6 Well I just want to be -- I'm not understanding whether the Chair of the MFP Committee  
7 is still bringing the committee's recommendation of last week before the Council, so  
8 parliamentary inquiry. My hope is that we could dispose of this agenda item. The  
9 committee has made a recommendation. It is before us. It is on the agenda. I intend to  
10 vote no. I hear Mr. Elrich say that he intends to vote no. It sounds like the Council  
11 President, if I'm understanding his comments correctly; other members will exert their  
12 free will. Then we'd be done. Then we move the agenda. But the Chair of the MFP  
13 Committee said that -- something different. So I'm not understanding what the Chair of  
14 the MFP Committee is still making the committee's recommendation.

15  
16 Councilmember Trachtenberg,

17 Let me clarify it for you, George. Which is that by voting for the recommendation of the  
18 committee, in my mind, that's pretty much equal to what was suggested by you, which is  
19 that we would leave things as set -- .

20  
21 Councilmember Leventhal,

22 Well, I intend to vote against the committee's recommendation.

23  
24 Councilmember Trachtenberg,

25 In December. But by voting against our committee, we're just going back to that point. In  
26 other words, in my mind, there is really no difference, in a sense, between what we  
27 were recommending and what we agreed to in back in December. We can go through  
28 the formality of voting on the recommendation --

29  
30 Councilmember Leventhal,

31 So you're comfortable either way.

32  
33 Councilmember Trachtenberg,

34 From the Committee. I have my light on, because I wanted to ask Councilmember  
35 Andrews if he indeed wanted to modify -- make a motion. I thought he was intending on  
36 making a motion to clarify further some refund credit limits on the committee  
37 recommendation. If he wants to go forward with that, I will second a motion. But he had  
38 not made it yet. So my light was on for that purpose.

39  
40 President Knapp,

41 Actually if it's a majority of the Committee it can just be the Committee recommendation.  
42 It doesn't need a motion.

43  
44 Vice President Andrews,



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1 Right. Yeah. Two things quickly. One is that that would be a difference from what the  
2 recommendation was in December, because the December recommendation was to get  
3 to the Charter Limit by rates. And so, second, as proposed by the County Executive the  
4 resources for the FY09 budget, according to page 4 of the overview packet on the  
5 budget that Steve Farber prepared are 133.4 million. So that's where the budget is right  
6 now. If you look at page 4, the resources to fund the FY09 as with the County  
7 Executive's assumptions are up 133.4 million. If you get to the Charter Limit by  
8 providing a credit, resources are up 14.1 million. So just so people know where they  
9 are. But, yeah, I do think that -- and I know that Council Chair Trachtenberg has  
10 indicated support for recommending a credit approach, which is what we did this year,  
11 versus cutting rates to get to the Charter Limit. That would be a slight difference from  
12 the December. But the default position, if the MFP Committee recommendation is voted  
13 down, the default position is what was adopted in December, unless someone has a  
14 motion to make this difference.

15  
16 Councilmember Trachtenberg,  
17 Well, at this time, what I would like to do is simply withdraw the Committee  
18 recommendation, so that way we can let the December number stand. That's probably,  
19 procedurally, the cleanest thing to do.

20  
21 President Knapp,  
22 Therefore we have nothing before us?

23  
24 Councilmember Trachtenberg,  
25 Yes, we can move on to the next item.

26  
27 President Knapp,  
28 And we're moving on to the next item.

29  
30 Councilmember Trachtenberg,  
31 Save the fight for another day.

32  
33 President Knapp,  
34 Thank you very much. All right. Took us a while to move quickly, but we got there.

35  
36 Councilmember Elrich,  
37 Can I ask a question?

38  
39 President Knapp,  
40 Councilmember Elrich.

41  
42 Councilmember Elrich,  
43 I wasn't confused a moment ago.



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1 Councilmember Trachtenberg,  
2 Now you are.

3  
4 Councilmember Elrich,  
5 But I just to say, I would have voted to support the motion that Phil wanted to make,  
6 because I do support using the property tax credit. And is the only form for doing that, I  
7 mean, is it possible?

8  
9 Vice President Andrews,  
10 We can still do that.

11  
12 Councilmember Elrich,  
13 Is it separate?

14  
15 President Knapp,  
16 Yes.

17  
18 Councilmember Trachtenberg,  
19 We can handle that.

20  
21 President Knapp,  
22 No, and that was my point. Recognize that virtually anything we're going to do have to  
23 do for the next month to pass a budget is going to require seven of us. And there's  
24 going to be a configuration that does not yet sit on the table for us to approve. So it will  
25 have a variety of combinations that Councilmember will raise for us [inaudible].

26  
27 Vice President Andrews,  
28 It's not foreclosed.

29  
30 Councilmember Elrich,  
31 I thought my fellow Einstein graduate was slipping in a poison pill that would force me  
32 into [inaudible] I couldn't [inaudible].

33  
34 Vice President Andrews,  
35 I wouldn't do is that.

36  
37 President Knapp,  
38 Okay, thank you all very much. We now turn to Agenda items, well effectively 6, 7, and  
39 8, which all have to do with -- 5, 6, 7 and 8. Oops. Actually, I apologize. That's not right.  
40 We have an introduction of one Bill first. So we turn to legislative session day number  
41 12; approval of Legislative Journal. Madam clerk.

42  
43 Council Clerk,  
44 Yes, the legislative journal of April 1, 2008.



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1  
2 President Knapp,  
3 Is there a motion?

4  
5 Councilmember Ervin,  
6 So moved.

7  
8 President Knapp,  
9 Moved by Councilmember Ervin. Seconded by Councilmember Trachtenberg. Any  
10 discussion? Seeing no discussion; all in support of approval of the Legislative Journal  
11 for April 1st, indicate by raising your hand? That is unanimous. Thank you very much.  
12 Introduction of Bills -- we have Bill 13-8, Taxation, Arts and Entertainment District,  
13 Property Tax Credit, sponsored by the Council President at the request of the County  
14 Executive. Public hearing is scheduled for May 6th at 1:30 p.m. We now turn to call of  
15 Bills for final reading. And all four of these have to relate to the Executive's proposed  
16 reorganization of County government. Our first bill up is Expedited Bill 4-08,  
17 Reorganization of the Executive Branch. I will turn to, actually, Mr. Faden and Mr.  
18 Drummer to walk us through, because I know each of these bills went to different  
19 committees, and I just want to make sure we get the right person commenting on the  
20 right thing at the right time.

21  
22 Michael Faden,  
23 Mr. President, this bill went to three committees, but so far you have only two  
24 amendments recommended to it. The Public Safety Committee did not recommend any  
25 amendments. It considered the Homeland Security changes in County Government  
26 primarily. The Management Fiscal Policy Committee only recommended the technical  
27 amendment having to do with the status of the Office of Internal Audit. Technical  
28 amendment was recommended by the County Attorney's office. The Transportation  
29 Infrastructure, Energy and Environment Committee meeting yesterday recommended  
30 one amendment, which actually is in your packet, although the packet doesn't reflect  
31 that the Committee recommended it. The amendment is on the very last page, circle  
32 116 of the packet has to do with the position of Deputy Director of the Department of  
33 Public Works and Transportation for special projects. Basically eliminating that position  
34 but creating a new Special Projects Manager in the Office of the County Executive. The  
35 Committee met for a second time yesterday afternoon and recommended that  
36 amendment. Other than that, the bill is recommended by all three committees as  
37 proposed by the County Executive. We can go into details on any element of it as  
38 Councilmembers request.

39  
40 President Knapp,  
41 I had -- since this whole presentation has only kind -- it's come through in pieces, I had  
42 just a couple questions since this is the first time the full Council has taken it up. I had  
43 the opportunity to go through a series of responses that the Chief Administrative Officer  
44 had sent in response to questions that the Council had sent over, and -- I have to think





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1 about the best way to say this. I am generally supportive of reorganization because I  
2 think that the Department of Public Works and Transportation is too big, is too  
3 inefficient. I think we have good people trying to do a lot of things, but I don't think it  
4 works as well as it could or should. And so I appreciate the fact that we're trying to make  
5 it work better. I have to say that having gone through the answers to the questions; I  
6 found virtually no compelling reason in the answers to the questions as to why we  
7 should be doing this. I understand that we could identify customer service  
8 improvements, that we could improve efficiencies, that we could save -- reduce costs,  
9 that we could realign people and have fewer people. And in none of the answers to the  
10 questions did any of those elements actually come through as to why we were doing  
11 this. And so I guess my initial broad-based question would be since we all implicitly  
12 think it's a good idea, could somebody tell me how in doing this what it is that we're  
13 going to look at in a year and say this is better? Is it the customer service is the  
14 overriding criteria? Is it the cost savings? Is it -- it's going to be better because it's going  
15 to be smaller in different places or what?

16  
17 Gordon Aoyagi,

18 Mr. Chair, I'm Gordon Aoyagi, the Chair of the Reorganization Committee. The primary  
19 response to your answer is we did not undertake this for purposes of trying to find  
20 reductions in county staff. The primary purpose was to start with the vision of the  
21 County Executive, and those are stated in the beginning with of the report with regard to  
22 the eight result areas that he wanted us to focus on; and to determine how the missions  
23 and the functions of the various departments aligned to those various result areas. And  
24 those result areas, I believe, are listed on page -- had I known I would have anticipated  
25 it -- on page 60. And so the primary purpose was to take a look at those result areas  
26 and then to align the department functions around that. When we did that, we looked at  
27 a number of different departments whose mission alignments were not aligned. One  
28 very large department that had been doing a great deal of work over a number of years,  
29 since 1996, or '98, when the most recent reorganization occurred, had a number of  
30 different missions. And as opposed to focusing specifically on a key result area that had  
31 both internal and external customers that it was trying to serve their needs, the  
32 Executive, in his responsibility in terms of managing and directing the County Executive  
33 Branch, felt that he wanted more aligned missions. And it was for that result we came  
34 back with a recommendation of taking those components that relate to transportation  
35 and forming a Department of Transportation. In terms of then looking at how we better  
36 serve internal customers, and I think we believed as we talked to a number of different  
37 internal customers, there was a feeling that we were not as effectively doing internal  
38 customer services as effectively as possibly. You couldn't go to one department and get  
39 supplies, services, equipment, facilities and rolling stock, i.e. fleet services, in one  
40 location. When we looked at other county -- peer counties throughout the country, we  
41 saw a number of them did have a Department of General Services that had those  
42 components in them. And so we felt by making the recommendation then for General  
43 Services that that was not only achieving a mission alignment serving our internal  
44 customers better, but it was also reflective of other peer practices that were considered



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1 to be good peer practices. When we then looked at environmental services we saw that  
2 a number of other counties throughout the country also have combined, or in our case  
3 we had solid waste in DEP before, and we felt that a lot has happened in the last 12  
4 years, and particularly with the mood of the country capturing the notion of green, that  
5 again the recycling, renewing and reduction was a good message that was also a part  
6 of the environmental protection. So five years from now, when you look back at this  
7 moment, I think what you will see is better mission alignment, improved customer  
8 service and customer focus both internally and externally, and a very strong  
9 environmental push as well as functional focus on a number of things that the County  
10 Executive felt were important as part of this mission statement.

11  
12 President Knapp,

13 All right. I know my colleagues will shoot me daggers in just a moment. But I want to -- I  
14 appreciate that and I appreciate that broad concept, but in nothing did I see that actually  
15 -- so we're going to move things together that are more closely aligned. But we didn't  
16 have anything that showed how were going to reorg -- other than moving kind of a block  
17 of county government services to another block, it doesn't talk about how we're actually  
18 going to restructure any those service deliver functions within the departments to  
19 actually do it differently. Because the government structure says the answer -- at least  
20 as the CO has answered the question, it's still roughly the same. So Procurement is  
21 going to stay, it sounds like kind of the same. DEP is going to stay -- Solid Waste stays  
22 the same within DEP. There was no change in connectivity in an overall management  
23 structure, other than the fact that they were here and now they're here, and they should  
24 be closer to people who are thinking more similarly to what they're thinking. And I didn't  
25 get any sense from an organizational or management perspective how that actual  
26 change that you said will happen in five years actually occurs.

27  
28 Gordon Aoyagi,

29 In response to that, Mr. Chair, there was one response that the CAO provided, and that  
30 was when you create organizational changes you do it in phases. And one of the first  
31 and most pronounced change that you want to do is to make sure that you have all your  
32 functional alignment in place. And then if there, as a result of that, you find improved  
33 opportunities for changes in business process, organizational culture, considerations of  
34 how you deliver services whether directly through county services or directly through  
35 contracted services. I think what you do is when you place your mission alignments and  
36 you get that right, then the next phase really is many of the things that you talk about.  
37 So this reorganization is not intended to be the end-all, it is really to be the next platform  
38 upon which continued excellent service that the County has historically provided in the  
39 past, it allows us to continue to do that in the future, and it allows us to reflect the value  
40 and vision of the chief elected official who is charged with organizing and managing the  
41 Executive Branch.

42  
43 President Knapp,



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1 Okay, well, then I guess if I hear that, we should be expecting to see more. And I  
2 understand that at some point, since we've gotten rid of the Montgomery Measures Up  
3 program and are now doing another performance measures perspective that it would  
4 seem to me since we are the body that actually has to make sure what were -- that the  
5 resources that we're spending on behalf of our taxpayers is actually getting them the  
6 best desired outcome; that at some point in the next three to six months we actually  
7 start to get some sense as to what are the measures that we're looking at. More aligned  
8 mission I understand, but more aligned mission to do what. I think that needs to be  
9 clarified. You indicated better internal customer service delivery from what to what, so  
10 we actually know how we've gotten better, or if we haven't, why we haven't. And then  
11 external customer service delivery, which I think is probably the most critically important,  
12 where are we and where do we hope to get to. Because I appreciate the perspective of  
13 the person who has headed up this effort, but this is step one. But if -- I think it will be  
14 presented as such as that we've reorganized, and now therefore since we've  
15 reorganized, things are better. If I'm hearing you, this is step one which sets up the  
16 platform for us to make the changes for things to get better. But this reorganization, in  
17 and of itself, does not necessarily make things better, other than the fact that it realigns  
18 various missions with other -- more closely aligns missions within departments. And so I  
19 think it's going to be important for us to get clarification on those pieces so that we  
20 understand what actually is getting better, not the fact that we [inaudible] reorganization,  
21 now things are just by default better. Okay. Councilmember Floreen.

22  
23 Councilmember Floreen,

24 Thank you, Mr. President. I just wanted to make a few comments. The T&E Committee  
25 wrestled with the portion of -- I don't know if we're going to go through the Committee's  
26 specifics or not. There's not too much really to be said.

27  
28 President Knapp,

29 Let me just -- yeah. Well let's do that then. We can go through each of the Committee  
30 recommendations as it relates, and then we'll just -- .

31  
32 Councilmember Floreen,

33 Just quickly. We really didn't hear that anything was broken that this was fixing. I'll say  
34 that. And from the Transportation Environment Energy -- .

35  
36 President Knapp,

37 We're working on the name, dually noted.

38  
39 Councilmember Floreen,

40 The TIEE [inaudible] Committee's perspective, it doesn't much matter because we're  
41 going to continue to exercise supervision over Procurement and Fleet Management,  
42 wherever it is, with respect to our responsibilities. I wanted to say we struggled with the  
43 issue that's being proposed here, which is moving Fleet Management out of the control  
44 of the Department of Transportation and into Central Services, because of the issue of



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1 control. But we will watch that very closely. And in the end, the Committee decided to  
2 support this. So what we were told that there were going to be no new costs coming out  
3 of all this, and we certainly expect to see that documented over time, and that will help  
4 our looking-back exercise. And perhaps I could ask that we get that information in next  
5 year's budget. But the Committee did make one modest position recommendation  
6 change that's shown here. But otherwise, we decided to support the recommendation. It  
7 has some significant implications for the new Department of Transportation. And as I  
8 said, we will watch it very closely.

9  
10 President Knapp,  
11 Okay. Councilmember Leventhal.

12  
13 Councilmember Leventhal,  
14 I wanted to just take the opportunity, and I don't know if our friends in the press are  
15 paying attention. I think one of the most interesting stories about this is that this is, in my  
16 six years now on the County Council, this the second time that Gordon Aoyagi has  
17 reorganized himself out of a job.

18  
19 President Knapp,  
20 I know.

21  
22 Councilmember Leventhal,  
23 It's funny, but I want to speak for just a moment about a consummate career public  
24 servant who has taken on tough assignment after tough assignment on behalf of the  
25 people of the County, who was responsible for many years for developing innovative  
26 transit and commuting solutions, took on the thankless task at a very difficult time of  
27 running the Fire and Rescue Service with great appreciation to our Council President,  
28 Mr. Knapp, who legislation reorganized the Fire and Rescue Service, substantially  
29 improved it, but left Mr. Aoyagi without a job. He stepped into then Homeland Security  
30 just a couple years after September 11, 2001, when there was just a blizzard of  
31 requirements and obligations and grant applications from the feds that he had to keep in  
32 touch with and make sure that we were taking advantage of opportunities and  
33 complying with the law, and making sure that we were concerned about the safety of  
34 our community. I understand now that he is -- that he was asked by the County  
35 Executive to take on this difficult task of overseeing reorganization. And I have to say I  
36 agree with the County Executive's judgment that with the passage of time having an  
37 entire executive department solely devoted to Homeland Security as the years have  
38 passed probably seems unnecessary and I congratulate the County Executive for  
39 following my advice on that point. But what I really want to say is that Gordon Aoyagi is  
40 an exemplar of someone who has, without credit, without recognition, taken on some of  
41 the most complex administratively burdensome tasks, done an extraordinary good job  
42 on behalf of the people of Montgomery County, and we just ought to take this  
43 opportunity to thank him for overseeing this most recent project, and to wish him great  
44 happiness and success as he phases down, dials down his responsibilities, enjoys his



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1 lovely wife and the bright future. And I hope some relaxation and golf that awaits in the  
2 years ahead. But he's just an extraordinary career committed public servant that  
3 Montgomery County has benefited tremendously from his years of service.

4  
5 President Knapp,

6 I would thank -- thank you, Mr. Leventhal, for that as well. And I think we will recognize  
7 Mr. Aoyagi more formally at a point in the future. But I think that clearly if there is an  
8 exemplar of public service, especially in Montgomery County government, it is Mr.  
9 Aoyagi, who has stepped in and filled -- stepped into the breach on any number of  
10 occasions; and is well respected, not just within the County, but if you go down to the  
11 Council of Governments and interact with the CAOs committee or with the fire chiefs, or  
12 with the Homeland Security folks, everyone in the region knows who he is and  
13 recognizes and appreciates the contributions that he makes. And so I thank you very  
14 much for bring that up. And I thank you, Gordon, for taking on yet another task and  
15 working yourself out of yet another position. Council Vice President Andrews?

16  
17 Vice President Andrews,

18 Thank you. I agree with the remarks by Councilmember Leventhal, Gordon, you've been  
19 a tremendous asset to the County. You've done great work. And I think this  
20 recommendation make as lot of sense to have Homeland Security department as an  
21 office under the County Executive, because it's a coordinating office, it's a planning  
22 office. It will be in a better position to coordinate if it's not on the same level as the line  
23 departments. So it makes sense from a management point of view. And I think it would  
24 have actually -- I think it made sense in the beginning to set up that way. I didn't think  
25 the department was a good idea. But it won't change -- I think a key point is it won't  
26 change the work in terms of the focus. The focus remains as important. But I think it will  
27 be better accomplished this way. And the security personnel, who are the operational  
28 side of the department, will now be in the police department, where they're already  
29 trained, where it's a better fit. So the day-to-day -- traditional day-to-day security  
30 functions will be aligned with the department that provides day-to-day public safety  
31 response. And then when needed, the office will have already done the planning and  
32 will be able to coordinate the response through whatever emergency as appropriate. So  
33 I think the Homeland Security changes in this make a lot of sense. I can't speak to the  
34 other ones at this point. But the Public Safety Committee's recommendations were to  
35 support the changes, abolishing the Department of Homeland Security, creating a new  
36 Office of Emergency Management of Homeland Security that reports to the Office of the  
37 County Executive, and moving the security personnel from Homeland Security  
38 Department to the Police Department.

39  
40 President Knapp,

41 When I propose is the following: MFP Chair Trachtenberg's report from the IEP  
42 Committee that we when will just do the three votes as [inaudible].

43  
44 Councilmember Trachtenberg,



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1 Thank you, President Knapp. The two conversations that we had within the MFP  
2 Committee were the following: basically should the Procurement and Facilities  
3 Management function be consolidated in a new department of General Services. And  
4 obviously we said yes to that -- a resounding yes. And I would note for those here this  
5 morning that the new charges of Committees as defined by the Council President would  
6 enhance this decision by the Committee, because it is the new Transportation  
7 Infrastructure Energy and Environment Committee that, indeed, has the charge on the  
8 Department of General Services on their long, long and growing list. The second  
9 question that we discussed and came to consensus on was whether the internal audit  
10 function should be moved from the Finance Department to the Office of the County  
11 Executive. And, again, we agreed to that. And there were some technical amendments  
12 that were provided by Mr. Hanson in order to do that efficiently. So with that, that is in a  
13 nutshell what the recommendation from the MFP Committee was.

14  
15 President Knapp,  
16 Very good. Further discussion on the legislation? Councilmember Elrich.

17  
18 Councilmember Elrich,  
19 I was just thinking that perhaps if we could get Gordon to do a job a day for the next 500  
20 days, we could eliminate the 500 positions that we need. It would be a simple budget  
21 solution.

22  
23 Councilmember Trachtenberg,  
24 I'm not sure that's the way one would want to retire.

25  
26 President Knapp,  
27 Madam Clerk, if you would call the roll.

28  
29 Council Clerk,  
30 Mr. Elrich.

31  
32 Councilmember Elrich,  
33 Yes.

34  
35 Council Clerk,  
36 Ms. Floreen.

37  
38 Councilmember Floreen,  
39 Yes.

40  
41 Council Clerk,  
42 Ms. Trachtenberg.

43  
44 Councilmember Trachtenberg,



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1 Yes.  
2  
3 Council Clerk,  
4 Mr. Leventhal.  
5  
6 Councilmember Leventhal,  
7 Yes.  
8  
9 Council Clerk,  
10 Ms. Ervin.  
11  
12 Councilmember Ervin,  
13 Yes.  
14  
15 Council Clerk,  
16 Mr. Berliner.  
17  
18 Councilmember Berliner,  
19 Yes.  
20  
21 Council Clerk,  
22 Mr. Andrews.  
23  
24 Vice President Andrews,  
25 Yes.  
26  
27 Council Clerk,  
28 And Mr. Knapp.  
29  
30 President Knapp,  
31 Yes. Very good. The three reorganization bills are approved unanimously. Thank you  
32 very much. Do you have -- Mr. Faden?  
33  
34 Michael Faden,  
35 I think because the other two items are in District Council, I hate to make you do this.  
36 But I think you need to take separate votes on them, because they're not bills. If they  
37 were bills, you could do all three in one.  
38  
39 President Knapp,  
40 Madam Clerk, if you would call the roll one more time.  
41  
42 Michael Faden,  
43 Two more times.  
44



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1 President Knapp,  
2 Two more times. So we're now voting on -- in District Council session, we're voting on  
3 Zoning Text Amendment 08-03 Reorganization.  
4

5 Council Clerk,  
6 Mr. Elrich.  
7

8 Councilmember Elrich,  
9 Yes.  
10

11 Council Clerk,  
12 Ms. Floreen.  
13

14 Councilmember Floreen,  
15 Yes.  
16

17 Council Clerk,  
18 Ms. Trachtenberg.  
19

20 Councilmember Trachtenberg,  
21 Yes.  
22

23 Council Clerk,  
24 Mr. Leventhal.  
25

26 Councilmember Leventhal,  
27 Yes.  
28

29 Council Clerk,  
30 Ms. Ervin.  
31

32 Councilmember Ervin,  
33 Yes.  
34

35 Council Clerk,  
36 Mr. Berliner.  
37

38 Councilmember Berliner,  
39 Yes.  
40

41 Council Clerk,  
42 Mr. Andrews.  
43

44 Vice President Andrews,





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1 Yes.

2

3 Council Clerk,  
4 And Mr. Knapp.

5

6 President Knapp,

7 Yes. Zoning Text Amendment 08-03 passes unanimously. We now move to Subdivision  
8 Regulation Amendment 08-01 Reorganization. Madam Clerk.

9

10 Council Clerk,  
11 Mr. Elrich.

12

13 Councilmember Elrich,  
14 Yes.

15

16 Council Clerk,  
17 Ms. Floreen.

18

19 Councilmember Floreen,  
20 Yes.

21

22 Council Clerk,  
23 Ms. Trachtenberg.

24

25 Councilmember Trachtenberg,  
26 Yes.

27

28 Council Clerk,  
29 Mr. Leventhal.

30

31 Councilmember Leventhal,  
32 Yes.

33

34 Council Clerk,  
35 Ms. Ervin.

36

37 Councilmember Ervin,  
38 Yes.

39

40 Council Clerk,  
41 Mr. Berliner.

42

43 Councilmember Berliner,  
44 Yes.



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1  
2 Council Clerk,  
3 Mr. Andrews.

4  
5 Vice President Andrews,  
6 Yes.

7  
8 Council Clerk,  
9 And Mr. Knapp.

10  
11 President Knapp,  
12 Yes. And Subdivision Regulation Amendment 08-01 passes unanimously. General  
13 Holmes, you have a comment to make.

14  
15 Arthur Holmes,  
16 I would ask the indulgence of the Council. I'm not going to try to tell you the various  
17 efficacies of the reorganization. But there are some things that I'd like to say. Without  
18 reservation, I fully support the Executive reorganization plan. So I think I just want to get  
19 that out on the table. I was quiet and not speaking at all during the T&E Committee  
20 session because it was thought by some that I or some DPWT staff were lobbying to  
21 undermine the CE's plan. Therefore I did not speak. This perception may have been  
22 because I am a proponent of life cycle management with respect to transportation. I  
23 supported placing the fleet maintenance element with the primary customer, the  
24 Department of Transportation. However, during the deliberations within the Executive  
25 Branch, I supported the Fleet being in DOT, but the deliberations indicated that it should  
26 be in the Department of General Services, and I support that because organizations can  
27 work with different structures. But I wanted to make it clear that I did -- I do support the  
28 Executive's reorganization. I do want to indicate that some of the negative assertions  
29 about the Department's performance over the years, during the T&E session, I think  
30 were inaccurate and misleading. Now I must say I'm saying this in parochial manner  
31 because I am the department director, and may be will be the Director of the  
32 Department of Transportation. But I wanted to say that and get that -- that's been on my  
33 mind, because I think it's important that I indicate to you my feelings.

34  
35 President Knapp,  
36 Thank you very much for sharing your perspective. We appreciate it. There are no more  
37 comments. This concludes action on the reorganization piece. We now turn to action of  
38 Zoning Text Amendment 07-16, Rural Cluster Outdoor Storage. The Committee  
39 recommended 3-0 of approving ZTA 07-16 with an amendment to require screening in  
40 all situations except if the use abuts or confronts commercially or industrially zoned  
41 land. The Committee was persuaded by testimony on the record that areas for outdoor  
42 storage are too scarce in the County and it [inaudible] over eight acres in the rural  
43 cluster zone could accommodate the use without negatively affecting surrounding  
44 properties. In the Committee's opinion, outdoor storage is not significantly different than



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1 farm supply storage and other special exceptions that are currently allowed by special  
2 exception of the zone. The Committee recognized the value of screening outdoor  
3 storage uses from agriculture and park uses, as suggested in testimony. And I would  
4 just say that I was pleased that the community was supportive of this use, especially as  
5 looking at trying to continuing to make Ag Reserve viable and useful for those folks  
6 living in it. Mr. Zyontz, do you have anything to add.

7  
8 Jeff Zyontz,  
9 Well, the Committee Chairman knows I did not share that view of the committee.

10  
11 President Knapp,  
12 That's why we get to vote, Mr. Zyontz. Committee members -- I see no comments from  
13 Committee members. Councilmember Berliner?

14  
15 Councilmember Berliner,  
16 Council President, I know this was -- is yours. That's important to me. I confess I am a  
17 little uneasy with respect to it in terms of the breadth that we're going to have something  
18 in the order of 350 properties that could now have port-a-johns and other -- I don't know.

19  
20 President Knapp,  
21 [Inaudible] special exceptions.

22  
23 Councilmember Berliner,  
24 Can apply for special exceptions.

25  
26 President Knapp,  
27 Correct.

28  
29 Councilmember Berliner,  
30 And is the breadth of this limited to port-a-johns? Can this be used cars? Where does  
31 one draw the line with respect to what this would permit.

32  
33 Jeff Zyontz,  
34 It's outdoor storage. It goes beyond port-a-johns. It would be -- and I should say outdoor  
35 storage is not a defined term in the ordinance in enterprise. So it could be other things,  
36 particularly, cars or things related to a business. It couldn't be a recycling center or  
37 junkyard, which are other specific uses that would have to be permitted. So it would  
38 have to be some positive value kinds of things. But it is more broad than port-a-johns.

39  
40 Councilmember Berliner,  
41 Can you give other examples of items that you can imagine that would be now allowed  
42 to -- .

43  
44 President Knapp,



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1 Well, not allowed; special [inaudible].

2  
3 Jeff Zyontz,

4 It is by special exception and you -- .

5  
6 Councilmember Berliner,

7 The burden of proof in that process would be what?

8  
9 Jeff Zyontz,

10 The applicant has to prove essentially that they're not going to be detrimental to their  
11 neighbors. They do have to provide screening in that way they could limit the hours of  
12 operation and number of employees and other things that limit the activity onsite. The  
13 main burdens would really be the visual impacts, which is ameliorated by screening. My  
14 essential concern was that you are putting what is a predominately non-residential type  
15 of use, non-agricultural use in a residential/agricultural zone. It's not the direction of  
16 other legislation that this Council has taken. This is to the benefit of at least a known  
17 business and potentially others out there. So as a matter of legalities, it is certainly  
18 appropriate for the Council to take the action that the Committee recommends.

19  
20 Councilmember Berliner,

21 And if one were to limit this to existing businesses in order to limit this to what I  
22 understood to be the principle motivation with respect to it, I would appreciate that that  
23 might run very close to the line with respect to spot zoning. But it is -- is it possible for us  
24 to provide it with -- in a manner that, in your judgment, we could avoid that situation.

25  
26 Jeff Zyontz,

27 The best I could say is that, you know, it hasn't been researched that there may be  
28 other existing types of storage uses out there that might comply. But certainly you're  
29 prohibited from doing something that only applies to one property.

30  
31 Councilmember Berliner,

32 If we don't know that that's the case then our action could be construed as permitting in  
33 addition to this one that we are aware of and others that do, in fact, exist as of this time.  
34 Does the Council President have a difficulty with trying to take care of the particular  
35 concern that's been raised without perhaps opening up a broader category of -- ?

36  
37 President Knapp,

38 No, I think what we -- what the committee thought we did was that, by using a special  
39 exception process and by giving the structure that we put to the ZTA as proposed. I  
40 don't -- we didn't -- we had a fairly good discussion. I don't there was -- there wasn't  
41 anything else that came out as a better way to do it if -- that didn't as close to -- or  
42 closer beyond the lines that are out there.

43  
44 Jeff Zyontz,



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1 There's a continuum of what is clearly okay for the Council to do, and how close you  
2 can get to special legislation. And certainly the tact the Committee took is clearly  
3 appropriate. If you were to say existing -- I'm not here to speculate on what a challenge  
4 would yield. I would not do that in this session. But certainly as you get closer to only  
5 affecting one property, then it is going to be declared an illegal [inaudible].  
6

7 Councilmember Berliner,

8 I would leave it to the Chair and the Council President. I guess my desire would be to  
9 get as close to that -- if you feel like we are at that point in your judgment and that staff's  
10 judgment, I will support the Council President. But I confess I am a little uneasy by it,  
11 but I will defer to the wisdom of the committee if you feel strongly that this is, as far as  
12 you feel, we can go to limit the unintended consequences that could arise with respect  
13 to this.  
14

15 President Knapp,

16 I think that was the sense of the Committee. Let me turn to Councilmember Elrich, also  
17 on the Committee.  
18

19 Councilmember Elrich,

20 I think also it was the sense of the Committee too. But, Roger, your scenario scares me,  
21 and I didn't want to be responsible for creating unintended junkyards, for example. And  
22 when you said you could store cars there, I'm kind of picturing under what  
23 circumstances would you be storing cars there if it is not a junkyard. And how does one  
24 -- .  
25

26 President Knapp,

27 Antique cars. It could be antique cars.  
28

29 Jeff Zyontz,

30 Other sales. You can store them for, you know, a rental place offsite, or something like  
31 that. I mean it doesn't mean that they're non-functioning cars or things like that. But, you  
32 know, DPS will have to make the distinction between outdoor storage and -- now I  
33 forgot the other category. It's, you know, rubbish.  
34

35 Unidentified,

36 [Inaudible].  
37

38 Councilmember Elrich,

39 Yeah.  
40

41 Councilmember Berliner,

42 [Inaudible] Which if I don't grab it right now, I'll lose it. Is there a space limitation with  
43 respect to this such that, for example -- ?  
44



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1 President Knapp,  
2 Eight acres.

3  
4 Councilmember Berliner,  
5 No, I understand that there's eight acres. But, for example, the current use occupies  
6 what portion of that eight acres; is there a way to define this in a manner that would limit  
7 its use in a manner so that we wouldn't have antique cars or rental cars or other  
8 activities that would -- could take place?

9  
10 Jeff Zyontz,  
11 Well we could actually go in and define outdoor storage, if that is what you so chose,  
12 and put it in the definition section. To say something on the order of things cannot be  
13 junk, or if you want to specifically exclude cars, you could do that as a definitional  
14 aspect.

15  
16 Councilmember Berliner,  
17 I would be interested in excluding as many of those hypothetical examples as you can  
18 come up with that could be used for this, but for that which we understand we are  
19 seeking to accommodate.

20  
21 Jeff Zyontz,  
22 The one thing is outdoor storage is a use that's in other zones as well.

23  
24 Councilmember Berliner,  
25 Yes.

26  
27 Jeff Zyontz,  
28 So you might be putting restrictions on other places that you didn't intend. You know, if  
29 you -- .

30  
31 Councilmember Berliner,  
32 Can we do outdoor storage in this zone? In which we are permitted to -- we are now  
33 permitting a use which we have not previously permitted, previously.

34  
35 Jeff Zyontz,  
36 You can put specifications on the use, but you could also do that within what is an  
37 appropriate special exception too. There are a lot of ways to do that. Typically what the  
38 ordinance has done is to take a use, say it's permitted, and then footnote it to say it is  
39 restricted in this manner. Because this is a special exception you can put on the  
40 conditions of the special exception, in the special exception places itself.

41  
42 President Knapp,  
43 We have before us a Committee recommendation. Is there an amendment?



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1 Councilmember Berliner,

2 I was trying to explore with the Council President and Committee chair as to whether he  
3 heard anything in this discussion that made him feel that some modification might be  
4 warranted. I am not going to impose my thoughts on this matter. I was trying to explore  
5 it in a way that would allow for some -- .

6  
7 President Knapp,

8 I don't see one that doesn't open up another box that we -- that is the concern.

9  
10 Councilmember Berliner,

11 That could be the case, in which case I will defer to the judgment of the Committee.

12  
13 President Knapp,

14 Councilmember Leventhal.

15  
16 Councilmember Leventhal,

17 Just to be clear, with respect to the specter of junkyards cropping up all over  
18 Montgomery County, wouldn't the Board of Appeals have wide discretion to prevent a  
19 junkyard? You'd have to ask for a special exception. So if you're proposing to store  
20 rusty, junky cars or a whole lot of scrap metal or something, the Board of Appeals could  
21 rule against it.

22  
23 Jeff Zyontz,

24 That is true. They have discretion on special exceptions, although it is not quite as  
25 broad as everybody thinks. They have to adhere to the provisions of the code and the  
26 specifications.

27  
28 Councilmember Leventhal,

29 To be candid, I am not entirely sure how port-a-potties rank vis-à-vis rusty, junkie cars.  
30 If you're cataloging undesirables I am not sure which is which. But the point is that we  
31 are providing some capability for the Board of Appeals to enable some home-based  
32 businesses on large lots within boundaries that will be determined by the Board of  
33 Appeals.

34  
35 President Knapp,

36 Correct. Okay, seeing no further comments; Madam Clerk, if you would call the roll.

37  
38 Council Clerk,

39 Mr. Elrich.

40  
41 Councilmember Elrich,

42 Yes.

43  
44 Council Clerk,



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1 Ms. Floreen.

2  
3 Councilmember Floreen,  
4 Yes.

5  
6 Council Clerk,  
7 Ms. Trachtenberg.

8  
9 Councilmember Trachtenberg,  
10 Yes.

11  
12 Council Clerk,  
13 Mr. Leventhal.

14  
15 Councilmember Leventhal,  
16 Yes.

17  
18 Council Clerk,  
19 Ms. Ervin.

20  
21 Councilmember Ervin,  
22 Yes.

23  
24 Council Clerk,  
25 Mr. Berliner.

26  
27 Councilmember Berliner,  
28 Yes.

29  
30 Council Clerk,  
31 Mr. Andrews.

32  
33 Vice President Andrews,  
34 Yes.

35  
36 Council Clerk,  
37 Mr. Knapp.

38  
39 President Knapp,  
40 Yes. Motion carries, 8-0. Thank you very much. And we now have the addition of --  
41 introduction of ZTA in the I-4 Zone -- let me get the title right. ZTA 08-06, I-4 Zone,  
42 Transit Station Development Area, sponsored by the Council President at the request of  
43 the Planning Board. The action before us is resolution to establish public hearing for  
44 May 20th, 2008, at 7:30 p.m.





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1  
2 Councilmember Berliner,  
3 Let's have a public hearing.  
4  
5 Unidentified,  
6 No.  
7  
8 President Knapp,  
9 Anyone else want to second that motion? I'm going to take your objection as a second,  
10 Mr. Berliner. All in support of the resolution to establish public hearing indicate by  
11 raising your hand. That is unanimous. We are in recess until 1:30, when we have a  
12 public -- three public hearings and one which requires public hearing and action and six  
13 votes. So I need six Councilmembers who have to come back after lunch. Thank you  
14 very much.  
15



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1 Council President Knapp,  
2 Good afternoon ladies and gentlemen. This is a public hearing on a Supplemental  
3 appropriation to the FY08 Operating Budget of Community Use of Public Facilities in the  
4 amount of \$50,000 for Artificial Turf Pilot at Richard Montgomery High School. Persons  
5 wishing to submit additional comments should do so by the close of business on Friday,  
6 April 18th so that individual views can be included in the material which staff will prepare  
7 for Council consideration. Before beginning your presentation please state your name  
8 clearly for the record. There are no speakers for this hearing. Mr. Elrich.

9  
10 Councilmember Elrich,  
11 I noticed that somebody from the school system is here and I wonder if I could ask them  
12 a question.

13  
14 Council President Knapp,  
15 On this topic?

16  
17 Councilmember Elrich,  
18 Yes. I could do it on a random topic.

19  
20 Council President Knapp,  
21 That is why I was asking. Actually you can't.

22  
23 Councilmember Elrich,  
24 There is no shortage of questions. What's for today?

25  
26 Council President Knapp,  
27 Mr. Lavogna, for those watching, just say who you are.

28  
29 Joe Lavogna,  
30 Good afternoon. I am Joe Lavogna, acting Director of Facilities Management for MCPS.

31  
32 Councilmember Elrich,  
33 So my question for you is, the company that's going to be leasing the field, in this  
34 arrangement, do they have the right to lease the field to other parties?

35  
36 Joe Lavogna,  
37 No.

38  
39 Councilmember Elrich,  
40 So, for the time they control the field they cannot lease it to any other group or derive  
41 any income from the use of the field?

42  
43 Joe Lavogna,



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1 They cannot lease it to any other group. So they will not be able to lease the field to  
2 anyone else. I hope that answers your question directly.

3  
4 Councilmember Elrich,  
5 Yeah. That is direct, thank you.

6  
7 Council President Knapp,  
8 Okay. Councilmember Andrews?

9  
10 Councilmember Andrews,  
11 Thank you. I wanted to say that I expect that we'll have Ginny Gong, a representative of  
12 the Community Use of Public Facilities, at the worksession, most likely. I know Ginny  
13 Gong is someone who has, obviously, a great deal of knowledge about the organization  
14 and Community Use of Public Facilities and has been present as the other debate,  
15 discussion that we had on the earlier appropriation and I know that the reason they are  
16 proposing to do this is because the field would open up, having it as artificial, would  
17 open up the uses to the community beyond what is available now, given its central  
18 location. So, I would expect that we will have a chance to talk to her at the Committee  
19 session when that is, it looks like it is April 17th.

20  
21 Council President Knapp,  
22 We.

23  
24 Councilmember Andrews,  
25 As well as Mr. Lavogna.

26  
27 Council President Knapp,  
28 Let me just say that at this point, this was introduced because we thought there was a  
29 need for it and there may not actually be need for a need for this additional \$50,000 so  
30 there may not necessarily need, be a need for a Committee worksession but we already  
31 had this introduced and it was scheduled so we wanted to go ahead with the public  
32 hearing but we may actually not have to do that. If we do, we will address questions but  
33 otherwise it's just \$50,000 we can use for something else.

34  
35 Councilmember Andrews,  
36 Sounds good.

37  
38 Council President Knapp,  
39 Okay. Thank you sir.

40  
41 Joe Lavogna,  
42 Thank you.

43  
44 Council President Knapp,



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1 This is a public hearing on a Supplemental appropriation to the FY08 Operating Budget  
2 of the Community Grants Non-Departmental Account in the amount of \$250,000 for the  
3 Boys and Girls Club of Greater Washington. A Health and Human Services Committee  
4 worksession is tentatively scheduled for April 18th, 2008, at 2:00 P.M. The record will  
5 close at the conclusion of the hearing. Before beginning your presentation please state  
6 your name clearly for the record. We have one speaker, Marvin Dickerson, representing  
7 of the Boys and Girls Club of Greater Washington. You have three minutes. Welcome.  
8 Push the button, there you go.

9  
10 Marvin Dickerson,  
11 I invited, first of all, good afternoon.

12  
13 Council President Knapp,  
14 Good afternoon.

15  
16 Marvin Dickerson,  
17 These seats are kind of low.

18  
19 Council President Knapp,  
20 Gives us that advantage.

21  
22 Marvin Dickerson,  
23 Yeah. Exactly. First of all, many familiar faces around the dais here and around the  
24 table, I want to thank you for your time. My name is Marvin Dickerson, and I'm the  
25 President of the Board of Directors for the Boys and Girls Club for Maryland region.  
26 Joining me at the table to my left is Dr. Randolph, to your right, he is our Government  
27 Grants Director. To my right is our Regional Director for the Boys and Girls Clubs,  
28 Celine Edwards, and of course, my colleague, former President of the Board and  
29 current fund-raising chair, Joe Grosnickle who represents IBM, one of our Board  
30 members. Today you have a full statement in writing, but I will just give you some  
31 highlights or I'll just go through the first couple pages of the statement. The first part is  
32 good afternoon, Councilmembers, honored guests, ladies and gentlemen, it is my  
33 distinct pleasure to be able to represent the Boys and Girls Club of Greater Washington  
34 at this hearing regarding the Germantown Gym project. As you know, the mission of the  
35 Boys and Girls Club of Greater Washington is to help Boys and Girls Clubs of all  
36 backgrounds, especially those who need us most, to build confidence, develop  
37 character, and acquire skills needed to become productive, civic minded, responsible  
38 adults. To that end, much of our programming involves keeping kids or children,  
39 children and youth, busy with constructive, how to find activities during after-school  
40 hours and in the summer months, as we know, that is one of the most troubling times  
41 for our youth. In 2002, our Germantown branch opened its doors. As of December  
42 2007, the clubs are providing comprehensive developmental programs to over 360  
43 youth annually. Yet we could serve even more children and youth with additional space  
44 that the new gym would provide. There are approximately 25,000 children attending



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1 public schools in Germantown/Damascus area that fall within the service age of the  
2 Boys and Girls Club Germantown branch. Although additional youth centers exist in the  
3 area, none offer the type of comprehensive programming unique to the Boys and Girls  
4 Club. The Germantown branch offers year round academic enrichment and youth  
5 programs in five core areas, character and leadership development, health and life  
6 skills, education and career development, the arts, and sports fitness and recreation.  
7 The clubs, after school and summer club -- I am sorry --the clubs' after school and  
8 summer programs target youth age six to 18. It also provides before care services for  
9 children in grades one through five. The club members represent seven elementary  
10 schools, three middle schools and five high-schools in the Germantown community. For  
11 our club members.

12  
13 Council President Knapp,  
14 That is it.

15  
16 Marvin Dickerson,  
17 Well, okay, the bottom line is that we've raised about \$2.2 million, it's about, anywhere  
18 from 2.8 to \$3 million full project, we need the money to meet the match from the state.

19  
20 Council President Knapp,  
21 Okay.

22  
23 Marvin Dickerson,  
24 That is where we are.

25  
26 Council President Knapp,  
27 And I just, one question.

28  
29 Marvin Dickerson,  
30 Sure.

31  
32 Council President Knapp,  
33 So, with this, we actually, this will allow the Boys and Girls Club to move forward?

34  
35 Marvin Dickerson,  
36 Yes, that is where we are right now. We actually have met with the facilities taskforce  
37 for the metro board. For those of you that are not familiar with the structure of the Boys  
38 and Girls Club of Greater Washington, there are regional boards that report into a metro  
39 board. As President of the regional board, I sit on the metro board and we have a  
40 process in which we must go through final approval through the executive committee  
41 and the facilities taskforce. We have successfully done that. We have actually also had  
42 a separate process of securing a development manager for the project and an architect.  
43 So we have gone through all of those stages and we are in the final stages of securing  
44 the funds.



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1  
2 Council President Knapp,  
3 Very good. Councilmember Berliner.

4  
5 Councilmember Berliner,  
6 Could you turn to the attachment two to your testimony, sir?

7  
8 Marvin Dickerson,  
9 Sure.

10  
11 Councilmember Berliner,  
12 And just walk me through those figures so that I understand, for example, at the bottom,  
13 the proposed funding with respect to the Bond Bills, obviously the session is now over,  
14 the status of the Bond Bill, those items are what?

15  
16 Marvin Dickerson,  
17 Those were secured but unmatched in the sense that we received \$775,000 as part of a  
18 Bond Bill from the State of Maryland. The reason why it is not shown in secure funding  
19 is because there is a requirement that those funds are matched and that is part of the  
20 reason we're here today.

21  
22 Councilmember Berliner,  
23 So if I look at the proposed fund, those three items there, you have secured 350 from  
24 the state of Maryland, you have secured 200, and you've secured 225, and what are  
25 your proposed match requirements with respect to those three items?

26  
27 Marvin Dickerson,  
28 It's 100% match right? It's 100% match.

29  
30 Councilmember Berliner,  
31 One hundred percent match, and whom do you have to secure those matches from?

32  
33 Marvin Dickerson,  
34 You want to address that, Dr. Randolph?

35  
36 Khalid Randolph,  
37 We can secure the matches, Khalid Randolph, Director of Government and Foundation  
38 Grants for the Boys and Girls Club of Greater Washington, we can secure each one of  
39 those grants from the private funders and from the County funds.

40  
41 Councilmember Berliner,  
42 Okay. You are seeking \$250,000, is, what is the number you're seeking from us?

43  
44 Marvin Dickerson,



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1 Well, actually, our original request was a little more than that but we ended up with 250  
2 in the budget, or submitted, and that is why we are here today. But actually, it was our  
3 desire to get \$1 million over two years.

4  
5 Councilmember Berliner,  
6 I have many desires.

7  
8 Marvin Dickerson,  
9 We just filed \$50,000, right?

10  
11 Councilmember Berliner,  
12 We don't want to go there either. [ laughter ]. Okay, \$250,000.

13  
14 Marvin Dickerson,  
15 Yes.

16  
17 Councilmember Berliner,  
18 Alright. Thank you, sir.

19  
20 Marvin Dickerson,  
21 Thank you.

22  
23 Council President Knapp,  
24 The worksession is this Friday at the HHS Committee. Okay. There are no more  
25 questions. Thank you all.

26  
27 Marvin Dickerson,  
28 Well, thank you for your time and we look forward.

29  
30 Council President Knapp,  
31 Thank you. Our next hearing is a public hearing on a Special appropriation to the FY08  
32 Operating Budget and amendment to the FY08 Cable Communications Plan, County  
33 Cable Montgomery in the amount of \$48,000 to televise additional Council Committee  
34 meetings. Action is scheduled following the hearing. Before beginning your presentation  
35 please state your name clearly for the record. There are no speakers. I would, has this  
36 actually gone to the MFP Committee yet?

37  
38 Councilmember Trachtenberg,  
39 No, it has actually not gone through the Committee.

40  
41 Council President Knapp,  
42 Okay.

43  
44 Councilmember Trachtenberg,



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1 It was something that the Council President last year had made a commitment for,  
2 which was increased coverage of worksessions, so I did not put it through and the  
3 Committee didn't see the need to do so.

4  
5 Council President Knapp,  
6 So we have a motion by Councilmember Elrich, seconded by Councilmember Floreen,  
7 or the opposite? The other. The only point I would want to raise is this is money that is  
8 coming from the cable fund?

9  
10 Councilmember Trachtenberg,  
11 Correct.

12  
13 Council President Knapp,  
14 Correct?

15  
16 Councilmember Trachtenberg,  
17 Um hum.

18  
19 Council President Knapp,  
20 Okay. So it is not something that's coming out of the general fund, out of our reserve,  
21 this is money that's dedicated to cable communications, we're just allocating it to  
22 additional funding for hearings of the Council?

23  
24 Councilmember Trachtenberg,  
25 Correct.

26  
27 Council President Knapp,  
28 Okay. Councilmember Floreen?

29  
30 Councilmember Floreen,  
31 I just have a question for our techno gurus, is there a way to figure out how many  
32 people watch this stuff? Probably not. But it would be nice to know if anybody watches  
33 it.

34  
35 Council President Knapp,  
36 They don't rate us in Nielsen? [multiple speakers].

37  
38 Councilmember Floreen,  
39 They skim through it as they are clicking to different programs but it would be lovely to  
40 know. Okay. Thank you.

41  
42 Council President Knapp,  
43 And what does this take our cable reserve, our cable fund down to?  
44





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1 Susan John,

2 This would be a special appropriation and amendment to the FY08 plan since we're still  
3 in '08.

4  
5 Council President Knapp,  
6 Right.

7  
8 Susan John,

9 And the fund balance that we're required to have is about \$810,000, it would take it  
10 down to \$570,000 but I also wanted to emphasize that under the revised estimates for  
11 FY08, we have got a much larger beginning fund balance and therefore we would  
12 continue to stay in the black in reality.

13  
14 Council President Knapp,

15 Okay. I guess that is the important thing, this isn't competing against any other element  
16 of the budget. Okay. I see no more discussion. Is this a roll call or just?

17  
18 Council Clerk,

19 No, just a hand vote.

20  
21 Council President Knapp,

22 Okay. The motion before us is a special appropriation to the FY08 Cable  
23 Communications Plan for \$48,000. All in support of the motion indicate by raising your  
24 hand. That is unanimous. Okay. Thank you all very much. The next activity will be a  
25 Public Safety Committee meeting which will begin at 2:00 and the HHS Committee  
26 meeting on the third floor.